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Globalization and interdependence: international migration and development

International migration and development

Report of the Secretary-General

Summary

The present report, which is being issued pursuant to the request by the General Assembly in its resolution 59/241 and reiterated in its resolution 60/227, stresses that international migration constitutes an ideal means of promoting co-development, that is, the coordinated or concerted improvement of economic conditions in both areas of origin and areas of destination based on the complementarities between them. The report discusses the various ways in which international migration can contribute to co-development and presents a comprehensive review of the multidimensional aspects of international migration, including: migration trends; the impact of international migration on countries of destination and countries of origin; rights, gender, integration, benefits and the protection of migrants; and, lastly, a discussion of the international normative framework and modes of intergovernmental cooperation that have been developed to improve the governance of migration.

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Foreword

A. International migration today

1. Throughout human history, migration has been a courageous expression of the individual's will to overcome adversity and to live a better life. Today, globalization, together with advances in communications and transportation, has greatly increased the number of people who have the desire and the capacity to move to other places.

2. This new era has created challenges and opportunities for societies throughout the world. It also has served to underscore the clear linkage between migration and development, as well as the opportunities it provides for co-development, that is, the concerted improvement of economic and social conditions at both origin and destination. The present report seeks to explore these challenges and opportunities and to offer evidence of the changes now taking place. It is an early road map for this new era of mobility.

3. Migration is changing as labour markets and society become more global: a foreman from a company in Indiana, United States of America, moves to China to train workers in new production methods; a professor from Johannesburg, South Africa, chooses to live in Sydney, Australia, from where he commutes to a teaching post in Hong Kong, China; a nurse trained in Manila works in Dubai. Meanwhile, research continues to undermine old assumptions about migration, which shows, for example, that women are somewhat more likely than men to migrate to the developed world, that migrants can maintain transnational lives and that remittances can dramatically help local economies. At the same time, innovations in policymaking allow us to manage international migration in new ways. China and the Republic of Korea attract their expatriate researchers back home with state-of-the-art science parks; Governments collaborate with migrant associations abroad to improve livelihoods at home; and development programmes help migrant entrepreneurs start small businesses in their communities of origin.

4. In the light of these changes, Governments everywhere have an opportunity, and a good reason, to re-examine their migration policies.

5. The advantages that migration brings, both to migrants and to the societies they join, are not as well understood as they should be. Migration stirs passionate debate. It can deprive countries of its best and brightest, and it can divide families. For all the good it can bring, it can also generate social tensions; for example, issues relating to migrant integration are the focus of intense controversy. Sometimes criminals and terrorists exploit the flow of peoples. Nevertheless, the answers to many of the problems raised by migration may be found through constructive engagement and debate. This will lead to a broader recognition of the enormous benefits and opportunities that migration provides.

6. On 14 and 15 September 2006, high-level representatives of all States Members of the United Nations will gather in the General Assembly to explore one of migration's most promising aspects: its relationship to development. The potential for migrants to help transform their native countries has captured the imaginations of national and local authorities, international institutions and the private sector. There is an emerging consensus that countries can cooperate to create

triple wins, for migrants, for their countries of origin and for the societies that receive them.

7. We are only beginning to learn how to make migration work more consistently for development. Each of us holds a piece of the migration puzzle, but none has the whole picture. It is time to start putting it together. We have a unique opportunity to do this by identifying, assessing and sharing the many experiments in managing migration now being tried around the world. The United Nations is the most valuable venue for this exchange of ideas, experience and lessons learned. And since migration is a global phenomenon, which occurs not only between pairs of countries or within regions but from almost every corner of the world to every other, it requires our collective attention.

8. I am confident that the High-level Dialogue on International Migration and Development on 14 and 15 September will be remembered as the moment when cooperation on this vital matter attained a new level. Sovereign States have the right to decide who is allowed to enter their territory, subject to the international treaty obligations they have assumed. But this right should not prevent us from working together to ensure that international migration helps to meet our development goals. The scale of migration's potential for good is enormous. To take just the most tangible example, the funds migrants send back to developing countries, at least $167 billion in 2005 alone, now dwarf all forms of international aid combined.

9. We are better positioned than ever before to confront the challenges of migration and seize the opportunities it presents. There has been an extraordinary growth in the interest shown by Governments in issues where migration and development intersect. Many countries, including El Salvador, Morocco and the Philippines, already have high-ranking officials dedicated to their overseas communities. It is a realm in which true international cooperation can be built. Indeed, it is exactly the kind of multilateral issue that the United Nations is designed to address.

B. What we are learning

10. We have gained many new insights into migration, and especially into its impact on development.

11. No longer do those who emigrate separate themselves as thoroughly as they once did from the families and communities they leave behind. No longer do the vast majority settle in just a small number of developed countries: about a third of the world's nearly 200 million migrants have moved from one developing country to another, while an equal proportion have gone from the developing to the developed world. In other words, those moving "South-to-South" are about as numerous as those moving "South-to-North". Migrants are not just engaged in menial activities. Highly skilled persons constituted just under half of the increase in the number of international migrants aged 25 or over in countries of the Organization for Economic Cooperation and Development (OECD) during the 1990s.

12. We can no longer divide ourselves so easily into "countries of origin" and "countries of destination" since, to one degree or another, many countries are now both. These distinctions, together with the perceived demarcation between the global "North" and "South", are being blurred, and in some cases have disappeared

completely. Countries such as Ireland, Italy and Spain, which not long ago sent millions of their citizens abroad, are now countries of destination, receiving thousands of newcomers each year. Malaysia, the Republic of Korea and Thailand are experiencing a similar transition.

13. In short, countries that are very different in other respects now face surprisingly similar migration challenges, which need no longer divide them into adversarial camps.

14. Beyond the abstraction of numbers, the personal experience of being a migrant has also changed dramatically. Just a quarter of a century ago, going abroad in pursuit of opportunity, or in flight from conflict, meant a wrenching, long-term separation. Contact with home was, at best, a precious five-minute phone call every month, perhaps a visit every few years, and a cherished newspaper that arrived weeks late.

15. Owing to the communications and transportation revolution, today's international migrants are, more than ever before, a dynamic human link between cultures, economies and societies. Penny-a-minute phone cards keep migrants in close touch with family and friends at home, and just a few seconds are needed for the global financial system to transmit their earnings to remote corners of the developing world, where they buy food, clothing, shelter, pay for education or health care, and can relieve debt. The Internet and satellite technology allow a constant exchange of news and information between migrants and their home countries. Affordable airfares permit more frequent trips home, easing the way for a more fluid, back-and-forth pattern of mobility.

16. The wealth of migrants is not measured only in money. The skills and know-how they accumulate are also instrumental in transferring technology and institutional knowledge. They inspire new ways of thinking, both socially and politically. India's software industry has emerged, in large part, from the intensive networking among expatriates, returning migrants and Indian entrepreneurs at home and abroad. After working in Greece, Albanians bring home new agricultural skills that enable them to increase production. By promoting the exchange of experience and helping build partnerships, the international community can do much to increase and to spread these positive effects of migration on development.

17. The experience of migration has also evolved in some less positive ways. Migrants of both sexes are increasingly exposed to exploitation and abuse by smugglers and traffickers, sometimes losing their lives. Others find themselves trapped behind walls of discrimination, xenophobia and racism as the result of rising cultural and religious tensions in some societies. International cooperation can play a crucial role in protecting people against such evils.

18. Above all, we have learned that migration takes countless forms and that the experience of every migrant is distinct. There is the Chinese entrepreneur who launches an import-export business in Algeria; the pregnant teenager from Darfur, the Sudan, who finds shelter in Chad; the former Somali refugee turned top-model for *Vogue*; the Columbia University graduate who is now President of a developing country. Add to them the countless migrant men and women, farmers, scientists, gardeners, engineers, meatpackers, football players, cleaners, doctors, caregivers, artists, entrepreneurs, hotel and restaurant workers, who make our lives more comfortable, entertaining and prosperous every single day.

C. Why we should cooperate

19. We now understand, better than ever before, that migration is not a zero-sum game. In the best cases, it benefits the receiving country, the country of origin and migrants themselves. It should be no surprise that countries once associated exclusively with emigration, including Ireland, the Republic of Korea, Spain and many others, now boast thriving economies, which themselves attract large numbers of migrants. Emigration has played a decisive role in reinvigorating their economies, as has the eventual return of many of their citizens.

20. In reflecting on how much we already know, I have grown convinced by one overwhelming imperative: we must find better ways to share the discoveries of scholars and the innovations of policymakers.

21. Many promising policies are already in place. Some receiving countries are experimenting with more fluid types of migration that afford greater freedom of movement through multiple-entry visas. Others are promoting the entrepreneurial spirit of migrants by easing access to loans and providing management training. Governments are also seeking ways to attract their expatriates home, either directly, through professional and financial incentives, or indirectly by creating legal and institutional frameworks conducive to return, including dual citizenship and portable pensions. Local Governments are using innovative measures to attract expatriate talent to their cities or regions.

22. Yet we find that while countries share people through migration, they often neglect to share knowledge about how to manage the movement of people. We need to learn more systematically from each other.

23. It is for Governments to decide whether more or less migration is desirable. Our focus in the international community should be on the quality and safety of the migration experience and on what can be done to maximize its developmental benefits. It is in the interest of all that migration occurs in a legal, safe and fair fashion, in strict adherence to international human rights standards.

24. International migration policies do not exist in isolation, all have global repercussions. More importantly, the costs and benefits of migration are distributed unevenly, both among countries and among social groups within them. This leads to unease that must be squarely faced.

25. Decisions on international migration policy should not therefore be made on the basis of economics alone; migration generates social, cultural and political consequences that must be carefully considered. Ultimately, migration is not just about wealth and poverty, but about the sort of societies we wish to live in.

D. A few first steps

26. In light of the above, the primary goals of the High-level Dialogue in September 2006 must be: to raise awareness of the development dimension in debates about migration worldwide; to examine the relationship between migration and development, especially poverty reduction; and to identify examples of best practices, where migration has been made to work for development. In doing so, we also must take into account the contributions of migrants to the developed world, where they have become indispensable in many ways.

27. Already, the approach of the dialogue has triggered heightened awareness among Governments of the development potential of migration.

28. Peter Sutherland, my Special Representative on international migration and development, has been consulting with Ministers and Government representatives around the world. He is convinced that the high-level dialogue can be a catalyst for Governments to improve their internal coordination on migration and development issues. Such a focus on a more coherent approach to policymaking may be one critical outcome of the high-level dialogue at the General Assembly.

29. The forthcoming dialogue is also focusing minds in civil society, the private sector and the philanthropic world, all of which have an essential role to play in creating the conditions needed for migration to become a more effective development tool. For instance, employers and labour unions have played a pivotal role in human-capital development; civil society organizations are indispensable in integrating migrants; and international organizations and philanthropies have funded many of the most promising initiatives related to remittances and the engagement of expatriate communities in the development of countries of origin.

30. The time has come to move from policies based on hunches and anecdotes to policies built on evidence. There are, for instance, return migration programmes that work and others that do not. We should be able to understand why, and to share this knowledge. If development policies are to be designed on a sound understanding of migration and development, then the evidence base, together with the means of sharing this evidence, urgently needs improving.

31. The present report suggests many ways in which Governments and others could shape the nature of international migration and the distribution of its costs and benefits, thereby making migration work better for everyone. From promoting entrepreneurship among migrants, to facilitating access to financial institutions, to establishing partnerships to train health and education personnel, there is no dearth of possibilities. But such a report cannot be exhaustive. I expect that Governments will bring even more ideas to share with one another when they meet for the High-level Dialogue in September.

E. The High-level Dialogue on International Migration and Development and beyond: opportunities for international cooperation

32. I believe we can all agree that there is nothing to be lost, and much to be gained, in exploring international migration in a more systematic, informed fashion. The High-level Dialogue affords us an opportunity to frame the issues in a way that allows us to discover areas on which we agree on how migration can be beneficial to countries of origin, receiving countries and the migrants themselves. Emboldened by a common understanding, we can move forward more quickly and efficiently.

33. Many, if not most, States understand that international migration cannot be managed unilaterally. Consequently, country partnerships and bilateral agreements on migration are multiplying. In addition, regional consultative processes on international migration have been established in most parts of the world. The latter have proved useful in building trust and promoting cooperation among Governments. But migration is not only a regional phenomenon. Its scale and

complexity are global. Furthermore, international migration, like trade and finance, is a fundamental feature of today's world system. And like trade and finance, migration demands attention at the global level.

34. To fill this void, several Government-sponsored initiatives on international migration have been launched in recent years. The Berne Initiative, a "State-owned" consultative process, produced a noteworthy International Agenda for Migration Management. Another group, the Global Commission on International Migration, issued a comprehensive report and series of notable recommendations in 2005. The report, which in many ways complements the present report, will be available for distribution at the High-level Dialogue. Other bodies are active in this field, including, the Ad Hoc Group of States on Migration, which gathers together over 40 countries with an active interest in international migration and development, while in 2005 the Tripartite Meeting of Experts of the International Labour Organization (ILO) adopted the ILO Multilateral Framework on Labour Migration, a set of non-binding guidelines that Governments, employers, workers' organizations and others engaged in migration can pursue in implementing a rights-based approach to labour migration.

35. I invite Member States to consider these international initiatives in advance of the High-level Dialogue. They should also give consideration to the outcomes of the United Nations conferences and summits held since 1990, whose recommendations relative to international migration and development provide a solid framework for the work ahead.

36. Indeed, many Governments have invested enormous energy already in preparing themselves for the upcoming dialogue. A series of General Assembly events in the coming months, including interactive hearings with civil society and the private sector, panel sessions in Geneva and New York and the United Nations Symposium on International Migration and Development, to be held in Turin, Italy, in June 2006, will offer Member States a chance to sharpen their thinking on the issues. Peter Sutherland, my Special Representative on international migration and development, will continue his consultations with stakeholders around the world, urging Governments to share their best ideas at the upcoming high-level dialogue. His efforts, together with those of the General Assembly and others preparing the dialogue, are fostering an environment for practical, evidence-based cooperation. But this is only the beginning.

37. The High-level Dialogue will succeed to the extent that it ushers in an era of sustained consideration of international migration issues at the United Nations. At present, many United Nations offices, funds, programmes and agencies engage in work related to various aspects of international migration and development. Until recently, there was no effective mechanism for coordination among those entities. In the context of the United Nations overall policy coherence efforts, the Global Migration Group was established in the second quarter of 2006. As a result, I envision stronger coordination within and across the United Nations system and with the International Organization for Migration (IOM).

38. While the Global Migration Group can help the United Nations to coordinate its work more efficiently, it does not answer the urgent question I posed earlier: How do we start putting together all the pieces of the migration and development puzzle? This knowledge is scattered not just in the many United Nations offices, funds and programmes, but also in the halls of Governments around the world, in

the minds of experts, in the experiences of employers, in the activities of civil society organizations and in the hearts of migrants. And where would it be best for Governments, in the spirit of investigation and as equals in a collegial environment, to discuss how international migration can be made to work for development?

39. As we continue to explore how the United Nations can better serve its Member States, it is evident that we must be able to facilitate cooperation among Governments on international migration issues, especially those related to development. I am convinced that the United Nations has an indispensable role to play in this most quintessentially global issue, particularly in light of the Organization's more general leadership role on development issues.

40. A consultative forum, led by and open to all the 191 States Members of the United Nations, would offer Governments a venue to discuss issues related to international migration and development in a systematic and comprehensive way. Furthermore, it would stimulate Governments to look at the issues of migration and development in a holistic manner, not merely through the separate lenses of different government departments. Such a forum would not produce negotiated outcomes, but it would provide Governments with timely exposure to promising policy ideas, as analysed by the most relevant, qualified bodies from both inside and outside the United Nations system. The forum would thus complement, and add value to, the activities of the regional consultative processes, especially since the latter do not usually address issues related to development, focusing instead on managing regional migration flows.

41. Such a forum would allow Governments to establish a common understanding, based upon the best evidence, on the areas of migration policymaking that have the greatest potential to contribute to development. In addition, such a forum could provide impetus, just as the lead-up process to the High-level Dialogue is already doing for increased coherence in migration policies and actions at the national and international levels. It would also offer an opportunity for Governments to engage, when they deem it desirable or necessary, with relevant stakeholders, who bear valuable knowledge and experience, including non-governmental organizations (NGOs), experts and migrant organizations. Most of all, such a forum would maintain our focus on international migration issues, while signalling that international migration is a normal but crucial element in the development process.

42. Member States have wisely put international migration high on the global agenda in 2006. I trust that, in years to come, they will look back on the High-level Dialogue as the beginning of an age of enduring cooperation on migration and development. As they gather on 14 and 15 September, I am confident that they will consider with open minds the merits of continuing the dialogue with the support of the United Nations. I urge them to show collectively the same courage that migrants do in leaving loved ones behind in search of a better life. Our ability to benefit together from migration hangs in the balance.

Overview and policy agenda

I. Main findings

A. Migration facts

43. International migrants numbered 191 million in 2005: 115 million lived in developed countries and 75 million in developing countries. Between 1990 and 2005, high-income countries as a whole registered the highest increase in the number of international migrants (41 million).

44. Three quarters of all migrants lived in just 28 countries in 2005, with one in every five migrants in the world living in the United States of America.

45. Migrants constitute at least 20 per cent of the population in 41 countries, 31 of which have less than a million inhabitants.

46. Female migrants constitute nearly half of all migrants worldwide, and they are more numerous than male migrants in developed countries.

47. Nearly 6 out of every 10 international migrants live in high-income economies, but these include 22 developing countries, including Bahrain, Brunei Darussalam, Kuwait, Qatar, the Republic of Korea, Saudi Arabia, Singapore and the United Arab Emirates.

48. About a third of the 191 million migrants in the world have moved from one developing country to another, and another third have moved from a developing country to a developed country. That is to say, "South-to-South" migrants are about as numerous as "South-to-North" migrants.

49. Migrants with tertiary education constituted just under half of the increase in the number of international migrants aged 25 or over in OECD countries during the 1990s. Nearly 6 out of every 10 highly educated migrants living in OECD countries in 2000 came from developing countries.

B. Migration and development

50. The lure of a well-paid job in a wealthy country is a powerful driver of international migration. The attraction has intensified as income differentials among countries continue to grow. This holds true not only regarding the large and growing differentials between high and low-income countries, but also with regard to the more dynamic and the less dynamic developing countries.

51. Many advanced and dynamic economies need migrant workers to fill jobs that cannot be outsourced and that do not find local workers willing to take them at going wages. Population ageing also underlies this growing demand, as it gives rise to deficits of workers relative to dependants. And as younger generations become better educated, fewer in their ranks are content with low-paid and physically demanding jobs.

52. Migration may reduce wages or lead to higher unemployment among low-skilled workers in advanced economies, many of whom are themselves migrants who arrived in earlier waves. However, most migrants complement the skills of

domestic workers instead of competing with them. By performing tasks that either would go undone or cost more, migrants allow citizens to perform other, more productive and better-paid jobs. They also maintain viable economic activities that, in their absence, would be outsourced. By enlarging the labour force and the pool of consumers and by contributing their entrepreneurial capacities, migrants boost economic growth in receiving countries.

53. At the point of origin, deeper poverty does not lead automatically to higher migration. The poorest people generally do not have the resources to bear the costs and risks of international migration. International migrants are usually drawn from middle-income households. However, when migrants establish themselves abroad, they help friends and relatives to follow and, in the process, the costs and risks of migration fall, making it possible for poorer people, though not for the poorest, to join the stream. Low-skilled migration has the largest potential to reduce the depth and severity of poverty in communities of origin.

54. Mounting evidence indicates that international migration is usually positive both for countries of origin and of destination. Its potential benefits are larger than the potential gains from freer international trade, particularly for developing countries.

C. Remittances

55. Migrants' remittances increase family incomes and help defray education and health costs, thereby improving human capital. Households receiving remittances from migrant relatives are not only more likely to invest but also, by spending more, help to raise incomes elsewhere in the economy. Because of multiplier effects, the economic impact of remittances is mostly found in the broader economy and depends on the ability of households to make productive investments.

56. Much can be done to increase the benefits of remittances, while respecting their character as private funds. An immediate task is to reduce transfer fees. As banks, credit unions and even microfinance institutions have been joining money-transfer companies in serving developing communities, fees have started to fall. But there is still ample room to cut fees and to expand access to financial institutions for migrants and their families. Such access allows migrants and their families to save, obtain credit and acquire productive assets. Women, who often oversee family finances while their male family members are abroad, as well as those who migrate, would benefit significantly from such access.

57. The foreign exchange inflows associated with remittances also improve the creditworthiness of receiving countries, lower their borrowing costs and provide reliable financing in times of instability.

58. While countries of origin benefit financially and in other ways from migration, they also lose human capital. Moreover, ensuring that high remittances do not reduce export and domestic competitiveness by artificially boosting the domestic currency's value poses a constant challenge for countries of origin.

D. Transnational communities

59. Governments understand that their citizens working abroad can be development assets and are strengthening ties with them. Collective remittances by migrant associations that support small-scale development projects are already improving life in communities of origin, often with the support of local and national authorities. As consumers, migrants contribute to the expansion of trade, tourism and telecommunications in their countries of origin and destination. And migrants often become entrepreneurs, either in their countries of destination or at home, once they return, spawning businesses that can generate wealth and create jobs.

60. In addition, migrants promote foreign investment in countries of origin, as investors themselves, and also by reducing reputational barriers to trade and tapping their business connections. Networks linking scientific and technical personnel at home with their migrant counterparts abroad enable the transfer of knowledge and of productive and technological know-how.

E. Return migration

61. Millions of international migrants return home every year, many remaining permanently, while others emigrate again. Some return because they are required to do so by host countries, others return because they have accomplished their goals as migrants and still others find that the costs of migration outweigh its benefits. Migrants who return home often bring expertise and savings. Some use their savings to start businesses that contribute to job creation, even if on a modest scale. Some pass their expertise along to others as teachers or trainers. Some form part of a new critical mass of skilled workers that may launch new ventures in their countries and promote economic development.

F. Highly skilled migration

62. In 2003, 2.3 million foreign students from both developed and developing countries were enrolled in tertiary education abroad. There has been an expansion of arrangements whereby universities from high-income countries develop partnerships with universities in developing countries or establish branch campuses there. Governments have supported or encouraged these arrangements in the hopes of improving the training opportunities for their citizens without having to send them abroad or of attracting qualified students from other countries.

63. Small national economies are most vulnerable to "brain drain", particularly in such crucial sectors as health and education. For example, between 50 and 80 per cent of all highly educated citizens from several small countries in Africa and the Caribbean live abroad. These countries need assistance both to train enough skilled workers and to retain them, since crushing workloads, lack of proper supplies, limited career prospects, professional isolation and inadequate pay contribute to a low rate of retention of skilled personnel.

64. The migration of skilled migrants has a number of positive aspects. Migrants have the opportunity of acquiring or improving skills and experience abroad and, even if they stay abroad, may prove as investors, philanthropists, bearers of new

knowledge or promoters of trade and cultural exchange, to be valuable resources for their country of origin.

65. When migrants are able to employ their skills, their work clearly benefits both themselves and receiving societies. But when skilled migrants are compelled to work at jobs that are not commensurate with their qualifications, their capacity to contribute is compromised. Such waste arises from barriers in the recognition of degrees, certificates and qualifications obtained abroad. International cooperation is necessary to improve the portability of qualifications and the mutual recognition of degrees and certifications.

G. Human rights, gender, integration and entitlements

66. The benefits of international migration, not only for migrants themselves, but equally for receiving societies, are contingent on the protection of migrant rights. Labour rights are the mainstay in the prevention of exploitation and ought to be fiercely safeguarded. Migrants in an irregular situation are even more vulnerable, particularly with respect to employment. When migrants are afraid of being detected, they are unlikely to come forward to demand fair treatment by employers.

67. The success of migration hinges on the mutual adaptation of migrants and the host society, which is in the best interests of both. If integration fails, the public acceptance of migration, regardless of its many benefits, will shrink or disappear. The cornerstone of integration is equal treatment and the prohibition of discrimination of any sort, as well as effective protection against racism, ethnocentrism and xenophobia. When migrants have rights to social services and their rights as workers are protected, their integration is generally facilitated. Migrants do best in socially and politically supportive environments that allow them to adapt at their own pace.

68. The policies of both countries of origin and countries of destination shape the position of women and men during the migration process. Although all migrants can be agents of change, migrant women are more likely to see their personal development thwarted. Measures to improve the outcomes of migration for women include providing them with independent legal status and permission to work when admitted for family reunification and safeguarding their rights as workers when they become economically active.

69. Trafficking in persons is one of the most pressing problems related to the movement of people. No reliable estimates of the number of persons involved exist, but the available evidence indicates that its geographical scope has expanded and that the majority of victims are women or children. International cooperation to uncover and combat complex transnational trafficking networks is on the increase.

70. Although old-age pensions are the most portable benefits migrants can receive, it is estimated that the majority of migrants face obstacles to pension portability or lose their benefits because of their contributions to different pension systems. Bilateral or multilateral agreements can ensure that persons who contribute to the pension systems of two or more countries are not unduly penalized for the short duration of their contributions. Although the number of bilateral agreements on pension portability is large, they still do not cover many important countries of origin.

II. The path ahead: a policy agenda

A. Improved international cooperation through co-development

71. Member States now share a core set of migration-related goals that include: enhancing the development impact of international migration; ensuring that migration occurs mainly through legal channels; ensuring the protection of the rights of migrants; preventing the exploitation of migrants, especially those in vulnerable situations; and combating the crimes of smuggling of migrants and trafficking in persons. Governments should recommit to these goals and develop a strategy based on co-development to reach them.

72. There is considerable scope for international migration to be part of co-development strategies. At the national level, co-development initiatives would benefit from better coordination and coherence between migration and development policies. This requires closer cooperation among the authorities in charge of migration and those working on development strategies and development cooperation. At the bilateral level, co-development strategies need the active participation of stakeholders in both countries of origin and countries of destination.

73. At the international level, a framework based on co-development goals could lead to novel initiatives to promote the beneficial effects of international migration, in particular through: facilitating, reducing the costs of and leveraging remittances; strengthening the knowledge, trade and investment links between the societies of origin and their expatriate communities; and promoting return migration and circulation. Co-development should mitigate the negative impacts of migration, particularly by supporting the formation of human capital in those countries where skilled emigration has created a scarcity of skilled personnel.

74. Achieving these goals will require comprehensive and coherent national policies, as well as sustained international dialogue to share experiences, discuss ways and means of attaining common objectives and develop effective modalities for international cooperation, including through multi-stakeholder partnerships. One possible follow-up step to the High-level Dialogue would be for the United Nations to provide a venue for such a sustained dialogue so as to maintain momentum in enhancing the contribution of migration to development.

75. Regional consultative processes have an important role to play in promoting mutual understanding among Governments and fostering cooperation and coherence. It would be useful for their representatives to bring their experience and success stories to the attention of States Members of the United Nations. A space for dialogue and consultation at the international level would also help to improve synergies among regional processes.

B. The centrality of human rights and tolerance

76. States have the sovereign right to decide who enters and stays in their territory, subject to treaty obligations and obligations deriving from customary international law.

77. For the full benefits of international migration to be realized, the rights of migrants must be respected. States have the obligation to protect the fundamental rights of all persons in their territory and they must take effective action to protect migrants against all forms of human rights violations and abuse. They must also combat all forms of discrimination, xenophobia, ethnocentrism and racism.

78. In turn, migrants, just as citizens, have the obligation to abide by the laws and regulations of receiving States.

79. Governments of receiving countries should support the mutual adaptation of migrants and the host society by promoting tolerance and mutual respect as well as the opportunities for social and cultural enrichment that migration brings. Migration policy needs to be complemented by strategies to manage diversity and promote cross-cultural learning.

80. Migrants have been and continue to be indispensable to the prosperity of many countries. The leaders of those countries have a responsibility for shaping public opinion accordingly, especially through communication strategies that articulate and explain how existing migration policies are consistent with society's ability to accommodate and integrate migrants.

81. Trafficking in persons and smuggling of migrants are crimes and their perpetrators should be prosecuted. Victims of trafficking should be protected. Governments that have not already done so are encouraged to become parties to the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, and to the Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organized Crime. Those that are already parties to these Protocols should implement them. To be effective, anti-trafficking measures should be multi-pronged, including elements of prevention, investigation, prosecution, assistance and protection for victims.

C. Migration policy

82. A major principle of migration policy is that everyone should have the option of staying and prospering in her or his own country. To that end, all countries should strive to create more jobs and decent jobs for their people.

83. Labour migration, like the global mobility of human capital that it represents, has nonetheless become crucial for the global economy and is both a product and a producer of growing interdependence. Yet, migration policies at the national and international levels do not reflect this reality. There is a need for States to develop forward-looking policies that take realistic account of their long-term structural demand for both low-skilled and highly skilled workers. In advanced economies in particular, these structural needs, which derive from the rising educational level of national populations, the dynamics

of population ageing and the expanding service economy, will not disappear over the medium term.

84. Temporary migration programmes are becoming more numerous. They are a response to the rising demand for labour in receiving countries. Although the number of migrants admitted under the more recent programmes is modest, there is potential for these programmes to result in beneficial synergies for migrants, countries of origin and countries of destination. Under such programmes, migrants benefit from having a legal status and countries of origin gain from remittances and the eventual return of migrants, provided the experience they gain abroad can be put to productive use at home. Receiving countries secure the workers they need and may enhance the positive effects of migration by allowing migrants to stay long enough to accumulate savings.

85. Temporary migration programmes do not, however, provide a full solution to the challenges of migration. In particular, their temporary status makes the adaptation of migrants more difficult, and may lead to their marginalization. Furthermore, given the structural needs for additional migrants in industrialized countries, which are associated to their economic, demographic and social trends, filling such needs exclusively with temporary migrants may turn out to be problematic.

86. Given the high level of participation of women in migration, policies related to international migration should be gender-sensitive in order to ensure that they support the empowerment of female migrants and do not contribute to placing them in vulnerable situations.

87. It is important for countries of origin to facilitate legal migration while working in cooperation with receiving countries to reduce irregular migration. Efforts to contain irregular migration must be consistent with international legal obligations towards the institution of asylum and the principles of refugee protection and sensitive to the needs of persons compelled to leave their countries of origin for reasons linked to their protection. As refugees, their particular needs call for specific responses.

88. Regularization provides a useful policy instrument for authorities to regain control of irregular migration. However, to prevent regularization from becoming the main instrument for the management of migration, it should be supplemented by policies that address the demand for labour, provide incentives for the orderly return of migrants and make provisions for the long-term stay of migrants whose jobs are secure and can contribute to the host society.

89. Most countries receive some international migrants. Those that do not consider themselves "countries of destination", but where the inflows of foreigners are rising, should review their regulatory frameworks for the admission of foreigners to ensure that their laws and regulations respond adequately to current needs.

D. Promoting migrant entrepreneurship

90. Governments of receiving countries and of countries of origin may wish to support the entrepreneurship of migrants or their families by: ensuring that migrants have access to financial institutions; providing training in

management practices, marketing and other topics of relevance for setting up businesses; and providing financial assistance, as necessary. Entrepreneurship can be fostered in countries of destination, in countries of origin through remittances or the return of migrants or in both if cross-border business linkages develop.

91. In some cases, regulatory barriers preventing the self-employment of migrants are an obstacle to migrant entrepreneurship. Countries wishing to promote business creation by migrants should review their regulations regarding self-employed migrants, particularly with respect to those migrants who have acquired the right to long-term residence. Another important factor in promoting entrepreneurship is ensuring that migrants have the same access to credit as citizens and secure property rights.

E. Enhancing the contribution of migrants and transnational communities

92. Countries of origin should seek to advance the benefits of migration by reducing the transfer costs and enhancing the use of remittances for development purposes through widespread access to financial institutions, including microcredit institutions, by improving the financial literacy of migrants and their families and issuing bonds geared to migrants abroad.

93. Governments can also promote the contribution of their expatriates to the development of their respective countries by facilitating the creation of hometown associations, directing their contributions towards productive activities in the home country and providing matching funds for specific projects. Allowing dual citizenship is another means of maintaining the attachment of long-term emigrants to their country of origin.

94. Governments can also encourage the engagement of their expatriate communities in the expansion of trade, tourism, investment and knowledge exchange by improving communications and travel linkages with countries of destination and by facilitating circulation and return migration. Actively encouraging and supporting the formation of transnational associations involving researchers at home and abroad may be particularly important to enhance knowledge exchange.

F. Formation and mobility of human capital in a globalized world

95. Countries admitting highly skilled migrants should facilitate the recognition of their degrees or qualifications so that their skills will not be wasted. In addition, high-income countries should refrain (directly or through recruitment agencies) from actively recruiting skilled personnel in countries that are already experiencing skill shortages or, more positively, support the formation of human capital in those countries.

96. Better assessments of immediate and long-term demand for skilled personnel are needed in both countries of origin and destination. In countries of destination, training skilled personnel locally may reduce the demand for foreign skilled workers over the medium or long term. In countries of origin,

the expansion of training may reduce shortages even if emigration continues. Regional or even global arrangements for the training of personnel critical to the provision of basic services, such as education and health, may be an efficient response to the shortages of skilled personnel in the poorest countries. Partnerships among Governments or involving public and private institutions can play a key role in providing the required training. More broadly, in a world characterized by high mobility of skilled labour, human capital formation should be increasingly seen as an international and not only a national policy concern.

97. Retaining needed workers is also essential. To that end, countries of origin must focus on increasing job opportunities and improving the working conditions of skilled workers, both by fostering career opportunities and providing adequate pay. To retain health workers, it is also necessary to improve the basic health infrastructure and make basic medical supplies available. Co-development initiatives in this domain merit serious consideration, including the twinning of health institutions in high-income and low-income countries and South-to-South cooperation in various forms.

G. Portability of pensions

98. There is a need for more collaboration between countries of origin and countries of destination to enhance the portability of pension benefits and ensure that migrants are not penalized for working throughout their productive lives in more than one country. Best practices in this area include allowing the totalization of periods of contribution and ensuring that migrants receive a fair replacement rate from each of the pension systems to which they contributed.

H. Improvement of the evidence base

99. Policy responses would likely remain inadequate without sound information on levels, trends, characteristics, impacts and other aspects of international migration, including data by age, sex, origin, educational attainment and occupation. The availability and quality of statistics on international migration, return migration and remittances must continue to improve. All countries need to ensure that in disseminating information on international migration all data are classified by sex. Appropriate methods and instruments to monitor return migration trends and the characteristics of returning migrants must be developed and implemented.

100. National statistical offices and other government entities producing international migration data based on administrative records should work towards ensuring that the data refer to persons and not to the documents issued, that double counting is avoided and that information on the characteristics of migrants (especially on their origin, level of education, type of occupation and sex) become part of a routine programme of data dissemination.

101. There continues to be a great disparity in the availability of information and research regarding developed and developing countries. Information and studies on migration and its consequences in developing countries are sparse and suffer from deficient data or the absence of data. There is a need to build

the capacity of developing countries to generate, collect and disseminate data on international migration, as well as to train personnel to conduct systematic and comprehensive research on the policy relevant aspects of international migration and development.

102. **The world still has only a weak understanding of the interplay between international migration and development. International collaboration is necessary to generate specialized and comparable information across countries so that in-depth analyses of the various dimensions of the relationship between international migration and development can be explored. There is a need to build capacity and promote research to evaluate policy interventions in both countries of origin and destination and to facilitate the mainstreaming of migration considerations into strategic development frameworks.**

International migration and development

I. Disentangling the complexity of international migration

103. Over the past five centuries, international migration has helped shape the global economy. In that same long period, migration has involved both voluntary and forced movements of workers. The "migration era", which spanned the late nineteenth and early twentieth centuries, saw migration rise to unprecedented levels, involving two parallel movements of labour. The first was the massive relocation of surplus labour from Europe to the dynamic areas of new settlement in the Americas and Oceania. Relative to the population of receiving countries, transatlantic migration from 1870 to 1914 reached levels that have not been surpassed since. The second was the movement of indentured Asian workers, particularly of Chinese and Indian origin, to the plantations and mines in the tropics. These two processes ran parallel to each other, because Asian workers were largely kept out of the areas of new settlement and eventually barred from them.

104. The First World War and especially the Great Depression of the 1930s led to a closure of the borders and a sharp reduction of migration flows. Migration remained low until after the Second World War. Since then, the reshaping of the global economy has given rise to a resurgence of migration, ushering in a second "migration era" towards the end of the twentieth century. As in the past, job opportunities have shaped migration. However, in contrast to the first migration era, today's global economy is characterized by a freer and growing mobility of goods and capital, which is in contrast to the largely restricted mobility of labour, particularly low-skilled labour. In addition, income disparities between advanced and developing economies are large and widening, and income disparities are also growing between the most dynamic developing economies and the rest of the developing world (United Nations, 2006d).

105. In recent decades, the reshaping of production chains generated by globalization, the associated growth and restructuring of multinational firms and the emergence of the knowledge economy have also generated a growing demand for highly skilled and mobile workers. Advanced economies have been experiencing increasing demand for low-skilled workers to fill jobs that cannot be outsourced, a demand that is not being satisfied by local labour at going wages. The most dynamic developing economies have also experienced, in some cases for the first time,

demand for low-skilled labour that is not being met by native workers. In contrast, many middle-income and low-income countries have faced problems in generating jobs fast enough to provide decent employment for their growing populations.

106. International migration is also a response to ongoing demographic and social changes. As a result of the ageing of the populations of advanced economies, they will soon have a large deficit of workers relative to dependants. Today, developed countries still have 142 potential entrants into the labour force (persons aged 20-24) for every 100 persons who are about to retire (aged 60-64), but in just 10 years, this ratio will drop to just 87 young persons per 100 persons aged 60 to 64 and, without migration, the expected deficit of young workers will be even higher. By contrast, developing countries have today 342 young persons for every 100 persons aged 60 to 64 and this excess, while declining, will continue over the coming decades.

107. Furthermore, the gross enrolment ratio in tertiary education is 56 per cent in developed countries and enrolment in higher education is rising rapidly among young persons in the dynamic developing economies. The future work force in most of those countries will therefore not only be increasing very slowly, if at all, but will also be far better educated than it is today. Because these highly educated workers are unlikely to find low-paid and physically demanding jobs fulfilling, the demand for low-skilled workers from abroad is likely to continue. Already today, many jobs in agriculture, construction and the leisure sector (hotels, restaurants and the like) fail to attract native workers, and most of these sectors are prospering largely because of migrant labour. Furthermore, the more women work for wages, the less time they have to do unpaid household work. Consequently, in the high-income economies, both developed and developing, migrant women, by engaging in domestic work or in child and elderly care, have been filling the care gap left by native working women.

108. These considerations illustrate an important point: migrants are often complementary to native workers. By performing tasks that would not get done at going wages, migrants allow native workers to perform other, usually more productive and hence better-paid jobs. Furthermore, low-skilled native workers constitute a small and declining proportion of the labour force in advanced economies, and migrants are often employed in sectors where wages are low or declining because of competition from low-wage countries. Thus migrants effectively slow down the decline of these sectors. There has been much debate about whether migrants compete or complement native workers, but empirical research shows that, although migrants may cause some reduction of wages or higher unemployment among low-skilled native workers and among previous migrants, these effects are very small and are certainly smaller than the positive effects migration has in promoting additional demand for goods and services and hence economic growth.

109. In sum, international migration today, as in earlier times, is intrinsically linked to the development of both receiving and sending countries. Migration is an ideal means of promoting co-development, that is, the coordinated or concerted improvement of economic and social conditions at both origin and destination based on the complementarities between the two. Migration plays a positive role by providing the workers to satisfy the labour demand in advanced economies and in the dynamic developing economies while at the same time reducing unemployment and underemployment in countries of origin and, in the process, generating remittances, savings and know-how for the benefit of the latter.

110. The present report discusses the various ways in which international migration can contribute to co-development. It builds upon the many reports and recommendations made by other institutions, including organizations of the United Nations system. The report discusses the complexity of international migration, providing an overview of major migration trends; the impact of international migration on countries of destination and countries of origin, in the process highlighting areas where international cooperation can make significant contributions to promote co-development; the crucial issues of rights, gender, integration and entitlements; ways of combating trafficking in migrants; and concludes by focusing on the international normative framework and the modes of intergovernmental cooperation developed to improve the governance of migration. Because the report focuses mainly on the migration and development nexus it does not cover some important aspects of the movement of people. In particular, it does not discuss forced migration or issues related to the protection of asylum-seekers or refugees.

A. Migrant inflows and outflows

111. International migration is a complex subject, the more so since every country is both a country of origin of and a country of destination for migrants. Understanding the reasons underlying these assertions is crucial to understanding the nexus between migration and development. Migration is complex because it is a process, not a single event, and because it can be repeated several times over the lifetime of an individual. Migration can even be "reversed" when migrants return to their countries of origin. Furthermore, migration may vary in character according to the individuals who move and whether, or how, the State controls such movement.

112. At its simplest, international migrants are persons moving from one country to another with the intention or possibility of staying for some time, often a year or more. From a country perspective, migrants may enter or leave. Although the word "migrant" usually evokes a foreigner, migration involves both foreigners and citizens. Citizens may depart as emigrants or come back as return migrants. Foreigners may enter as migrants under different categories and depart for short or long-term periods, generally becoming return migrants in their own countries. Because migration is generally equated with the entry of foreigners, few countries gather information on these four types of migrant flows, although they occur in all countries to varying degrees.

113. The case of the Netherlands, usually characterized as a "receiving" country, illustrates the relevance of these flows. Between 1960 and 2004, annual inflows to the Netherlands almost always surpassed outflows, leading to an overall net gain of 1.5 million migrants (see figure 1). But digging deeper into the data, a more nuanced picture emerges: whereas inflows of foreigners have overwhelmingly surpassed outflows of foreigners (see figure 2), outflows of citizens have commonly been higher than inflows of citizens (see figure 3). Consequently, between 1960 and 2004, the Netherlands lost 128,000 citizens but gained 1.6 million foreigners. More importantly, not all emigrating citizens remained abroad forever, nor did all foreigners settle permanently in the Netherlands. The 1.7 million citizens who left were counterbalanced by 1.6 million who returned. Among foreigners, 2.5 million were admitted, but one million left. That is, 38 per cent of foreign migrants departed.

Figure 1. Inflows, outflows and net migration flows to the Netherlands: 1960-2004

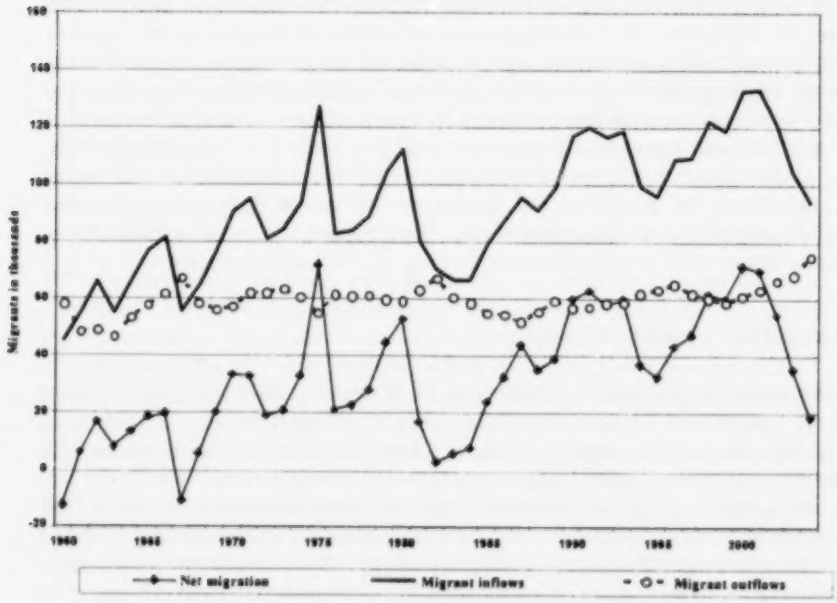


Figure 3. Inflows and outflows of foreigners to the Netherlands: 1960-2004

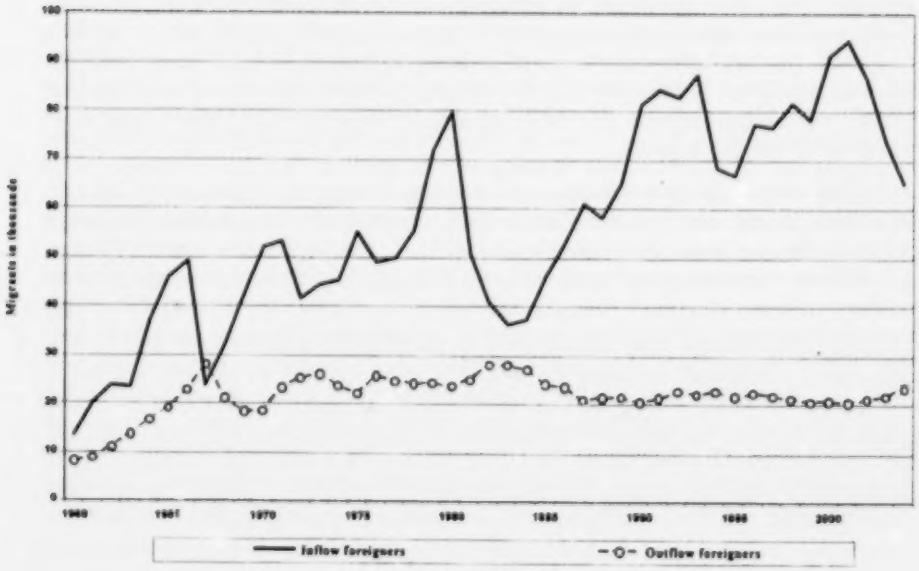
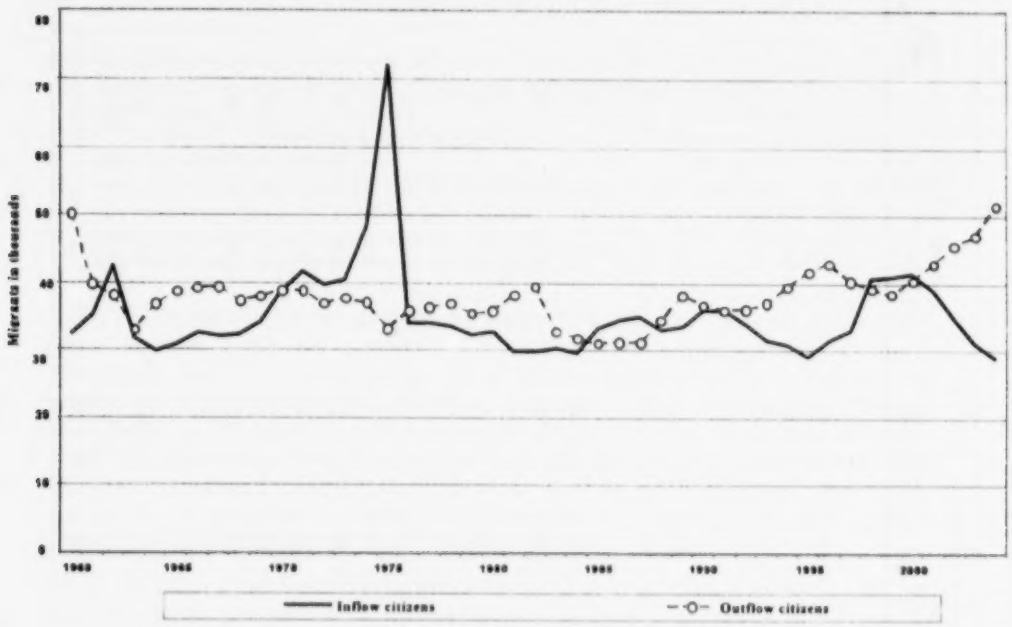


Figure 3. Inflows and outflows of citizens to the Netherlands: 1960-2004



114. Thus, migration's complexity is partly due to the interplay of inflows and outflows of foreigners and citizens. From a policy perspective, the inflows of foreigners are constrained by the laws and regulations of each State, but not so those of citizens; outflows are generally not subject to constraints. Each flow therefore elicits a different kind of policy response.

115. A few developed countries have data permitting the calculation of net migration flows by origin over time (see table 1). These countries have all gained population via migration and migrants from developing countries account for sizeable shares of those gains. In Norway, Sweden and the United Kingdom of Great Britain and Northern Ireland, net gains from developing countries have counterbalanced net losses to developed countries, largely made up of citizens emigrating. Similar data are unfortunately not available for the vast majority of countries in the world.

B. Countries of origin, destination and transit: is a distinction possible?

116. Although all countries may be countries of origin and of destination of migrants, it is worth asking if countries have a consistent status over time as net receivers or net senders. If we consider overall net migration gains or losses over a long period, for example 1950 to 2005, all countries can be placed in one of these categories. However, when we focus on sequential five-year periods over this long span of time, most countries display shifts of status from net senders to net receivers, or vice versa. Very few countries are consistently senders or receivers: only 28 countries display negative net migration during every five-year period from 1950 to 2005 and just 16 show positive net migration during every five-year period (United Nations, 2005a).

Table 1
Estimated average annual number of migrants or net number of migrants for selected developed countries: 1990-2004

Receiving country	Total number of migrants (Thousands)			Migrants from developing countries (Thousands)			Percentage from developing countries		
	1990-1994	1995-1999	2000-2004	1990-1994	1995-1999	2000-2004	1990-1994	1995-1999	2000-2004
Immigrants									
Canada	237	204	233	186	160	194	78	79	83
United States[a]	770	746	926	615	617	761	80	83	82
United States[b]	1 209	748	926	1 048	620	761	87	83	82
Net migration									
Australia[c]	64	54	49	52	43	49	81	80	99
New Zealand	7	13	15	10	21	26	>100	>100	>100
Migrant inflows									
France	120	128	191	54	66	122	45	51	64
Spain	33	66	483	15	33	314	45	50	65
Net migration									
Belgium[c]	27	24	35	13	12	21	48	49	60
Denmark[d]	10	15	10	7	8	9	74	53	88
Finland	8	3	5	3	2	3	32	57	52
Italy	60	115	..	53	71	..	88	61	..
Netherlands	56	49	50	38	28	24	68	57	48
Norway[c]	8	11	12	5	6	12	59	51	>100
Sweden	32	10	28	18	12	19	57	>100	68
United Kingdom[c]	22	82	101	28	56	121	>100	68	>100
Net migration by citizenship									
Germany	646	201	177	175	142	119	27	71	67
Foreigners	364	84	117	112	73	83	31	87	71
Citizens	282	117	60	63	69	36	22	59	60

(Footnotes on following page)

(Footnotes to table 1)

Source: Calculated from *International Migration Flows to and from Selected Countries, 2005 Revision* (United Nations Population Division, POP/DB/MIG/FL/Rev.2005), database in digital form.

Note: The symbol ">" is used in the present table to indicate that actual percentages are greater than the percentages quoted.

[a] Data exclude the migrants legalized under the Immigration Reform and Control Act of 1986.

[b] Data include the migrants legalized under the Immigration Reform and Control Act of 1986.

[c] Data for the most recent period refer to 2000-2003.

[d] Data for the most recent period refer to 2000-2002.

117. It has been suggested that countries may experience a migration transition as they develop, being net senders when the level of development is low and eventually becoming net migrant receivers as development advances. Although the experience of the former source countries in Europe (Greece, Ireland, Italy, Portugal and Spain) or the Republic of Korea seems to fit this theory, data for all countries belie this proposition. Instead of following a stable pattern, migration also responds to events, such as economic booms or busts, or to conflict situations. Developing countries, in particular, are prone to sharp changes in the direction of migration flows that are not directly related to their long-term development path.

118. Distinguishing "countries of origin" from "countries of destination" is relevant from the policy perspective. A country takes on the role of country of origin when it focuses on policies related to the emigration and return of its citizens, and it takes on the role of country of destination (receiving country) when it focuses on policies related to the admission, employment and stay of foreigners within its territory. Generally, countries that view themselves mostly as countries of destination have developed elaborate systems for the implementation of policies related to the admission and stay of foreigners. Countries that view themselves mostly as countries of origin have developed institutions and policies focusing on the organization of citizen emigration and the protection of citizens abroad. Although some countries may have the two types of systems, generally one is dominant and so is the associated policy stance. Indeed, some countries have maintained a policy stance long after it has lost its usefulness because the balance of flows has changed (for example the former emigration countries of southern Europe).

119. As migrants travel from their country of departure to the country of destination, they may pass through other countries. Generally, the passage is rapid and entails no complications. However, in the late 1980s a new phenomenon emerged: foreigners intending to enter a country illegally began securing passage to a different destination, from which they soon expected to leave for their intended destination. When departure from the intermediate destination is delayed or does not happen, these persons may become migrants in the "transit" country, which becomes their de facto destination. Furthermore, even if these potential migrants stay only for short periods, the transit country may need to deter the use of its territory as a means of securing illegal entry to another country. Although any country may be a transit country, transit countries usually lie in the immediate vicinity of major migrant destinations or on the land, sea or air routes leading to them.

120. **Because all countries experience inflows and outflows of foreigners, and several are also countries of transit, all should have appropriate regulatory**

frameworks for the governance of migration. All countries need to ensure that existing laws and regulations respond appropriately to current needs and are forward-looking. Building capacity to develop an adequate regulatory framework and to train the personnel in charge of managing migration is essential. Technical cooperation from international organizations or through government partnerships can play a useful role in supporting capacity-building. In addition, dissemination of information on migration legislation or regulations, including user-friendly interpretations posted on the Internet, is a useful means of ensuring that potential migrants and employers know the requirements and procedures necessary to obtain legal admission. Civil society can assist in ensuring that potential migrants have reliable information on admission requirements before they embark on the migration process.

C. Putting migration on the map

121. In 2005, there were 191 million migrants in the world: 115 million in developed countries and 75 million in developing countries (see table 2). These figures reflect the number of foreign-born persons, that is, persons living outside their country of birth.[1] This concept of "migrant" is different from that used in section A above (paras. 111-115). Estimates based on the foreign-born are available for all countries and allow the global mapping of the number of migrants accumulated over time, that is, the migrant stock (see map 1). These estimates do not, however, reflect everyone who has ever migrated.[2]

122. Between 1990 and 2005, the world's migrant stock rose by 36 million, from 155 million to 191 million, including refugees. The growth rate of the migrant stock has been accelerating, increasing from 1.4 per cent in 1990-1995 to 1.9 per cent in 2000-2004. In developed countries the number of migrants increased by 33 million between 1990 and 2005, whereas in developing countries the increase was barely 3 million. Consequently, in 2005, 61 per cent of all international migrants lived in developed countries. Europe alone had 34 per cent; Northern America, 23 per cent, and Asia, 28 per cent. Africa had just 9 per cent and Latin America and the Caribbean, 4 per cent (see table 2).

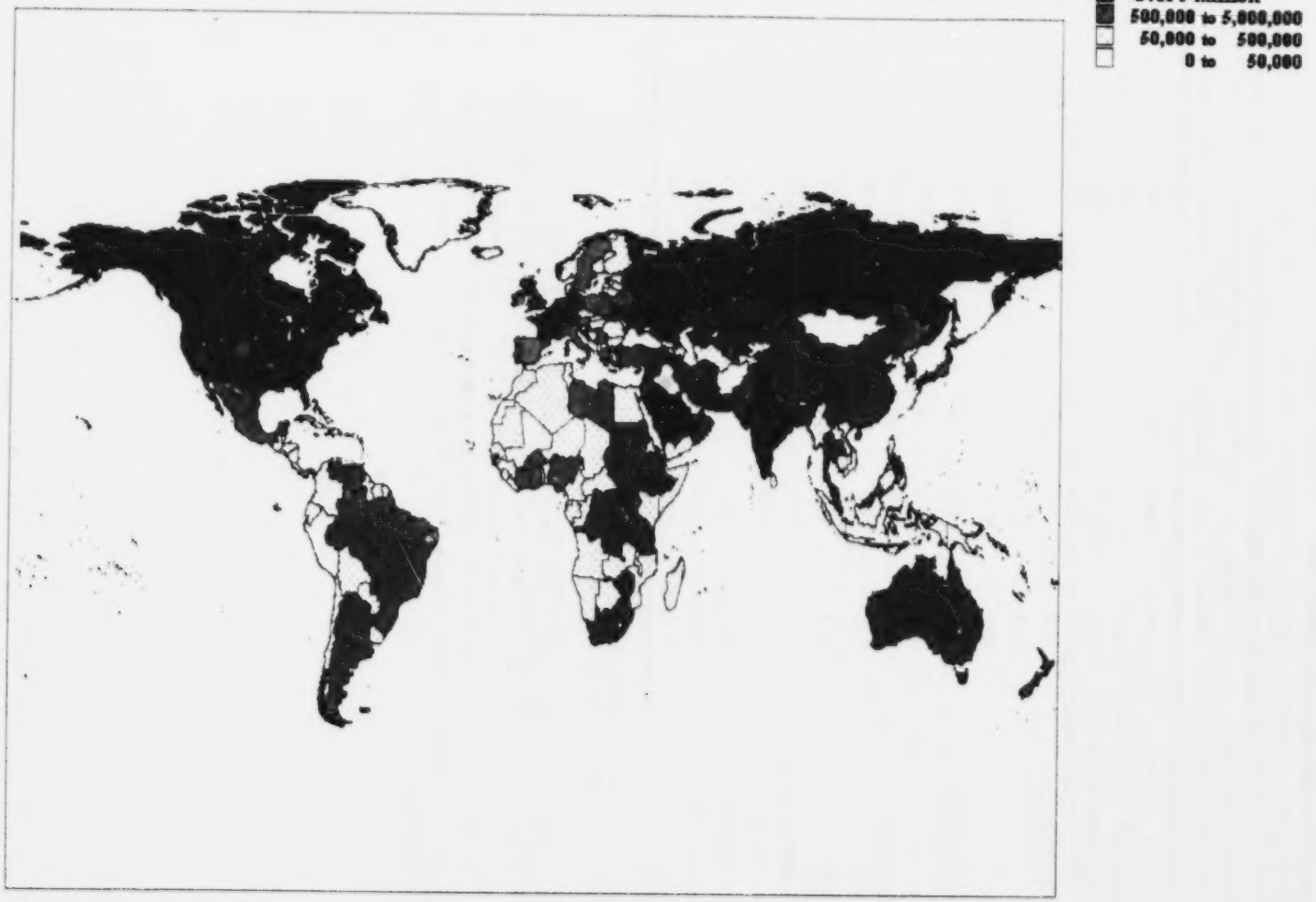
Table 2
Estimated number of international migrants and their percentage distribution by major area, including percentage of female migrants: 1990-2005

	Number of international migrants (Millions)		*Increment (Millions)*	*Percentage distribution of international migrants*		*Percentage of female migrants*	
Major area	*1990*	*2005*	*1990-2005*	*1990*	*2005*	*1990*	*2005*
World	154.8	190.6	35.8	100	100	49.0	49.6
More developed regions	82.4	115.4	33.0	53	61	52.0	52.2
Less developed regions	72.5	75.2	2.8	47	39	45.7	45.5
Least developed countries	11.0	10.5	-0.5	7	5	46.2	46.5
Africa	16.4	17.1	0.7	11	9	45.9	47.4
Asia	49.8	53.3	3.5	32	28	45.1	44.7
Latin America and the Caribbean	7.0	6.6	-0.3	5	3	49.7	50.3
Northern America	27.6	44.5	16.9	18	23	51.0	50.4
Europe	49.4	64.1	14.7	32	34	52.8	53.4
Oceania	4.8	5.0	0.3	3	3	49.1	51.3
High-income countries	71.6	112.3	40.6	46	59	47.9	48.7
High-income developed countries	57.4	90.8	33.4	37	48	50.1	50.8
High-income developing countries	14.2	21.5	7.3	9	11	39.3	39.8
Upper-middle income countries	24.7	25.7	1.0	16	13	52.5	52.9
Lower-middle income countries	24.8	22.6	-2.2	16	12	51.7	52.9
Low income countries	32.7	28.0	-4.7	21	15	46.9	47.8

Source: United Nations, *Trends in Total Migrant Stock: The 2005 Revision*.
Note: The World Bank classification is used in reporting the distribution by income level.

123. Today, 28 countries host 75 per cent of all migrants, down from 30 countries in 1990 (see map 1). The United States had 15 per cent of all migrants in 1990 and today has 20 per cent (see table 3). Between 1990 and 2005, 17 countries accounted for 75 per cent of the increase in the migrant stock (see map 2). The United States gained 15 million migrants, Germany and Spain followed with gains above 4 million each.

Map 1. Estimated number of international migrants (both sexes) at mid-year 2005



Source: United Nations, *Trends in Total Migrant Stock: The 2005 Revision*.

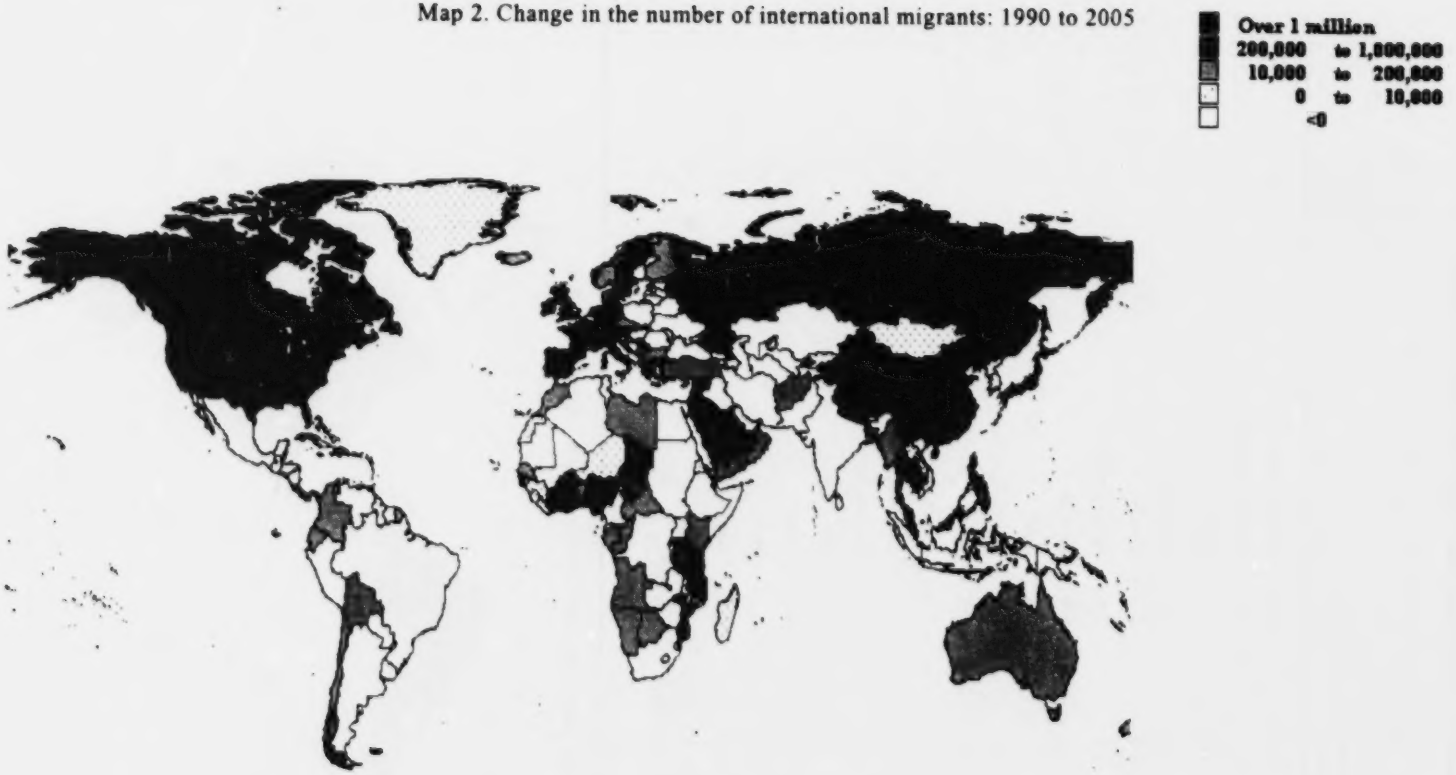
Note: The boundaries shown on the present map do not imply official endorsement or acceptance by the United Nations.

Table 3
Countries or areas with the highest numbers of international migrants: 1990 and 2005

		1990			2005	
Rank	*Country or area*	*Number of migrants (Millions)*	*As percentage of total*	*Country or area*	*Number of migrants (Millions)*	*As percentage of total*
1	United States	23.3	15.0	United States	38.4	20.2
2	Russian Federation	11.5	7.4	Russian Federation	12.1	6.4
3	India	7.4	4.8	Germany	10.1	5.3
4	Ukraine	7.1	4.6	Ukraine	6.8	3.6
5	Pakistan	6.6	4.2	France	6.5	3.4
6	Germany	5.9	3.8	Saudi Arabia	6.4	3.3
7	France	5.9	3.8	Canada	6.1	3.2
8	Saudi Arabia	4.7	3.1	India	5.7	3.0
9	Canada	4.3	2.8	United Kingdom	5.4	2.8
10	Australia	4.0	2.6	Spain	4.8	2.5
11	Iran (Islamic Republic of)	3.8	2.5	Australia	4.1	2.2
12	United Kingdom	3.8	2.4	Pakistan	3.3	1.7
13	Kazakhstan	3.6	2.3	United Arab Emirates	3.2	1.7
14	Hong Kong, China	2.2	1.4	Hong Kong, China	3.0	1.6
15	Côte d'Ivoire	2.0	1.3	Israel	2.7	1.4
16	Uzbekistan	1.7	1.1	Italy	2.5	1.3
17	Argentina	1.6	1.1	Kazakhstan	2.5	1.3
18	Israel	1.6	1.1	Côte d'Ivoire	2.4	1.2
19	Kuwait	1.6	1.0	Jordan	2.2	1.2
20	Switzerland	1.4	0.9	Japan	2.0	1.1

Source: United Nations, *Trends in Total Migrant Stock: The 2005 Revision*, data in digital form, 2006.

Map 2. Change in the number of international migrants: 1990 to 2005



Source: United Nations, *Trends in Total Migrant Stock: The 2005 Revision*.
Note: The boundaries shown on this map do not imply official endorsement or acceptance by the United Nations.

124. The growth of the migrant stock has been mostly concentrated in high-income countries, whether developed or developing (see table 2). By 2005, 48 per cent of all international migrants lived in high-income developed countries and 11 per cent in high-income developing countries. Both groups saw their share of international migrants rise since 1990. By contrast, the shares of international migrants in middle-income and low-income countries fell over the same period. In 2005, 25 per cent of all migrants lived in middle-income countries and just 15 per cent in low-income countries.

125. Between 1990 and 2005, the number of migrants declined in 72 countries, most of them middle-income and low-income countries (see map 2). The largest reductions occurred in the Islamic Republic of Iran and Pakistan as a result of the repatriation of refugees from Afghanistan. The number of international migrants also declined in the Commonwealth of Independent States (CIS) where most foreign-born persons were originally internal migrants within the former Union of Soviet Socialist Republics.

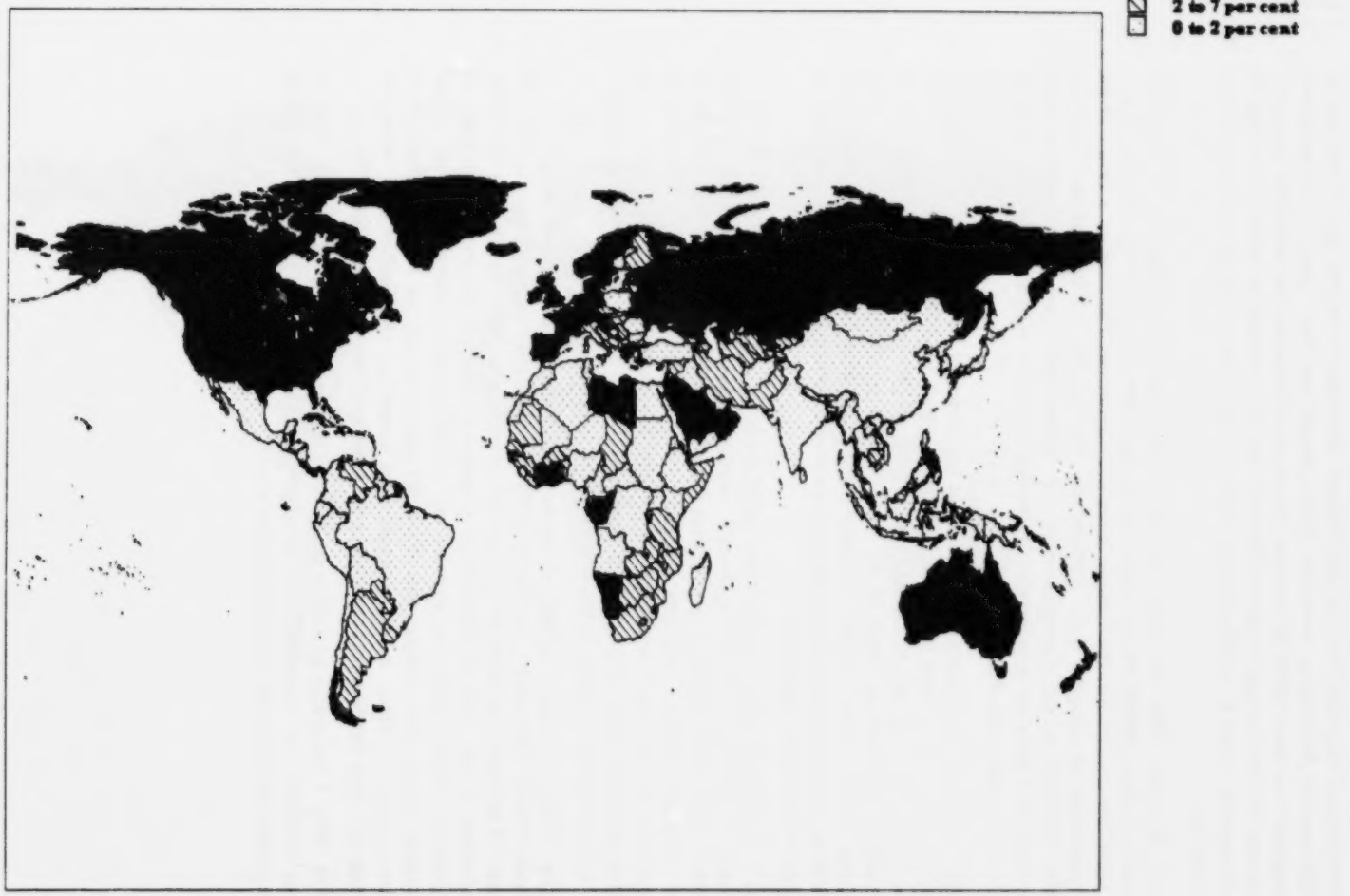
126. Although international migrants are concentrated in relatively few countries, they account for at least 20 per cent of the populations of 41 countries, 31 of which have less than a million inhabitants (see map 3). High concentrations of migrants are found in the Member States of the Gulf Cooperation Council (GCC) and in Hong Kong, China, Israel, Jordan, Singapore and Switzerland. In Australia and Saudi Arabia, countries with overall populations above 10 million, migrants constitute at least a fifth of the population.

127. In 2005, female migrants constituted about half of the migrant stock (49.6 per cent). In developed countries, female migrants have outnumbered male migrants since 1990, but in developing countries today they account for just 45.5 per cent of all migrants. Female migrants are particularly underrepresented in Asia and, in particular in the GCC countries where they constitute barely 29 per cent of the migrant stock. Generally, where migrant inflows involve mainly contract workers, the proportion of females in the migrant stock is low.

128. There is no set of global estimates for the number of migrants originating in each country. Estimates based on the 2000 round of census suggest that about 80 per cent of migrants in developing countries originate in other developing countries, whereas 54 per cent of migrants in developed countries originate in developing countries. When these proportions are combined with estimates of the global migrant stock, they suggest that there are approximately as many migrants from developing countries in other developing countries (60 million) as there are migrants from developing countries in the developed world (62 million).

129. Map 1 illustrates an important facet of migration's complexity: as a result of the interplay of economic and demographic asymmetries with State policies, migrants are unevenly distributed in the world.

Map 3. Number of international migrants as percentage of the total population: 2005



Source: United Nations, *Trends in Total Migrant Stock: The 2005 Revision*.

Note: The boundaries shown on this map do not imply official endorsement or acceptance by the United Nations.

D. Different types of migrants according to State policy

130. States set the conditions under which foreigners may enter, stay or exercise an economic activity in their territories, thus creating different categories of migrants. Given the different categories States use, it is difficult to ensure international comparability in the statistics generated by the process of admission or to derive reliable measures of overall migration flows. Despite the proliferation of categories of admission, a few major categories can encompass most of them. Levels and trends of migration by category are discussed below. Owing to disparities in data availability, the discussion below often focuses on OECD countries. The majority of developing countries lack the data required for a comprehensive overview.

131. According to this review, large numbers of foreigners are admitted in categories other than as migrant workers. Nevertheless, irrespective of category of admission, migrants often join the labour force. That is, migrants become workers even if they are not admitted specifically as migrant workers. Migrants admitted for purposes of family reunification, as refugees or even as students may join the labour force. Both men and women in the different migrant categories may work. Thus, ILO estimates that about half of all international migrants are in the labour force, that is, 95 million. In discussing the impact of migration, the totality of migrants who work, irrespective of their admission or legal status, are taken into consideration.

1. Settler migration

132. Australia, Canada, New Zealand and the United States admit foreigners as immigrants, granting them the right to permanent residence. Immigrants are accorded the same economic and social rights as citizens and may be naturalized after a few years of continuous residence. In these countries, the share of immigrants from developing countries in immigrant inflows is high (see table 1). Most immigrants are admitted according to three major criteria: (a) having close relatives already settled in the country of admission (family reunification); (b) possessing needed skills, or (c) requiring protection as refugees or on humanitarian grounds. From 1990 to 2002, the United States admitted 65 per cent of its immigrants under family preferences, 13 per cent under the employment preferences, and 11 per cent under the humanitarian categories. In Australia, 37 per cent of immigrants were admitted under the family category, 37 per cent under the skilled category and 11 per cent in the humanitarian class. In Canada, the proportions were 34 per cent, 49 per cent and 13 per cent, respectively. In both Australia and Canada the share of immigrants admitted under family reunification has been declining while that in the skilled categories has been rising (Continuous Reporting System on Migration (SOPEMI) 2005).

2. Migrant workers

133. Many countries admit foreigners for the sole purpose of exercising an economic activity. Usually they are granted temporary permission to stay and work in the receiving country but the type of work performed may be restricted. Migrant workers are often tied to a specific job and a specific employer during the validity of their work permits. Low-skilled migrant workers admitted temporarily are usually not allowed to bring their families with them. Skilled migrants are more likely to

have the possibility of being accompanied or joined by their immediate family members (spouse and under-age children).

134. Over the years Governments have developed a number of variations on the typical labour migration programme. In addition to programmes that admit "contract workers", other categories involving foreigners admitted for work purposes include: (a) trainees, that is, persons who obtain on-the-job training; (b) seasonal workers, that is, foreigners allowed to work continuously for periods shorter than a year and who must leave for at least a month every year; (c) "working holidaymakers", that is, young persons from specific countries of origin who are allowed to work for periods of up to two or three years while they visit the receiving country; or (d) intra-company transferees, that is, workers employed by multinational companies who change country of work while continuing to work for the same company. Countries may use more categories to denominate persons admitted temporarily to a country other than their own and granted the permission to work (Abella, 2006).

135. Temporary employment programmes are increasingly common in developed countries. Since 1990 the number of workers admitted under these programmes has risen markedly (SOPEMI, 2005). Between 1992 and 2000 their numbers quadrupled in the United States, tripled in Australia and doubled in the United Kingdom (see table 4). Seasonal workers constitute the majority of temporary workers admitted by countries in continental Europe, but they account for low proportions of temporary workers to the United Kingdom and the United States. Countries, such as Australia, Japan, New Zealand and the Republic of Korea lack a category for the admission of seasonal workers.

136. Between 1990 and 2005, the number of migrants in the former source countries of Europe (Greece, Ireland, Italy, Portugal and Spain) increased by 6.4 million, reaching 9.6 million (United Nations, 2005b). In 2001, Greece had 413,000 foreigners, all admitted as workers, 41 per cent of whom were women. Between 1999 and 2003, the annual number of work permits issued or renewed in Ireland increased from 6,300 to 47,600, while in Italy, they rose from 21,400 to 139,100. In Portugal, the foreign labour force nearly tripled, from 92,000 in 1999 to 286,000 in 2003. In Spain, labour migration soared: annual migrant admissions more than quadrupled between 1999 and 2002, to reach 443,000, and the migrant stock increased from 0.8 million in 1990 to 4.8 million in 2005, with a 3.2 million rise since 2000.

137. Labour migration has risen also in some Eastern European countries, especially in those that joined the European Union in May 2004. In 2003, the Czech Republic had 164,000 foreign workers and Hungary, 43,000. Poland issued 23,000 work permits in 2002. Between 2000 and 2004, the number of work permits issued by the Russian Federation doubled, reaching nearly 400,000.

Table 4
Annual number of temporary migrants admitted by selected countries, including percentages of highly skilled and seasonal workers: 1992 and 2000-2004

	1992	*2000*	*2001*	*2002*	*2003*
			Number (Thousands)		
Asia					
Japan	152	184	201	204	..
Republic of Korea	8	124	128	138	..
Europe					
France	18	15	20	23	..
Germany	333	290	330	348	359
Italy	2	31	30	..	..
Netherlands	..	28	30	35	..
Sweden	..	19	13	10	..
Switzerland	128	50	56	..	..
United Kingdom	64	113	136	150	..
Northern America					
Canada	71	95	96	88	82
United States	48	219	262	223	227
Oceania					
Australia	40	111	122	129	136
New Zealand	..	43	55	64	72
	Skilled workers as percentage of temporary migrants				
Asia					
Japan	71	71	71	71	..
Republic of Korea	41	15	22	29	..
Northern America					
United States	81	86	87	85	86
Oceania					
Australia	37	35	37	34	35
New Zealand	..	18	16	9	9
	Seasonal workers as percentage of temporary migrants				
Europe					
France	75	51	53	58	..
Germany	64	76	84	86	86
Italy	100	100	100	..	..
Sweden	..	100	100	100	..
Switzerland	99	98	98	..	..
United Kingdom	6	9	11	13	..
Northern America					
United States	15	14	12	14	13

Source: OECD/SOPEMI, *Trends in International Migration 2004*, 2005.

138. In Asia, the six member States of GCC are major magnets for migrant workers from neighbouring countries and countries in southern and south-eastern Asia. Between 1985 and 2005, the number of foreigners in GCC countries nearly doubled, reaching 13 million (see table 5). The number of workers leaving Asian countries to go to GCC or other receiving countries in the region averaged 1.4 million in 1990-1994 and more than 2 million in 2000-2003 (see table 6). Their destinations, other than GCC countries, included Brunei Darussalam, Hong Kong, China, Japan, Malaysia, the Republic of Korea, Singapore, Taiwan Province of China, Thailand and Viet Nam (see table 7). China has recently become another destination. In 2000, those 10 countries had 3.9 million migrants in the labour force, a number that might have risen to some 5.2 million by 2004.

139. In Africa, South Africa has long had a temporary worker programme to provide labour for the mining sector. In 2000, 131,000 foreigners worked in the mines, accounting for 57 per cent of the workforce in that sector, a higher proportion than in 1990 (47 per cent). Other countries in the continent that have relied on foreign workers include Côte d'Ivoire, Gabon and the Libyan Arab Jamahiriya.

140. The growing demand for skilled workers has led countries to allow their temporary admission. Thirty countries, including 17 developed countries, have policies or programmes to promote the admission of highly skilled workers (United Nations, 2006c). The United States has three programmes for the admission of "specialists" and one for highly skilled workers. During 2000-2003, the combined entries under all these programmes averaged 201,000 annually; in Japan the equivalent figure was 139,000, and in Australia, 44,000 (see table 4). Equivalent data are not available for other countries, but European countries, the member States of GCC and dynamic economies of eastern and south-eastern Asia, including, most recently, China, are also important destinations of temporary skilled migration.

141. In countries where temporary migrant workers can prolong their stay legally and even obtain long-term residence, they are often granted permission to bring their immediate relatives (mainly spouses and under-age children) to live with them, provided that they can support them. Consequently, especially in European countries, family migration is significant. From 1999 to 2002, family migration accounted for: over 70 per cent of the migration to France; about 50 per cent of migration to Denmark, Norway and Sweden; around 45 per cent of migration to Switzerland; 40 per cent of migration to Austria and Portugal; and 34 per cent of migration to the United Kingdom (SOPEMI, 2003, 2004 and 2005). In developing countries, family reunification is often restricted to skilled migrants or those earning sufficiently high wages, although data on its prevalence are lacking.

Table 5
Percentage of foreign workers in the labour force and number of international migrants in the member States of the Gulf Cooperation Council: 1985-2005

Country	*Percentage of foreign workers in the labour force*			*Number of migrants (Thousands)*				*Percentage female*	
	1985	*1995*	*2000*	*1985*	*1990*	*1995*	*2005*	*1990*	*2005*
Bahrain	58	60	59	137	173	219	295	28.5	30.9
Kuwait	86	83	82	1 222	1 551	996	1 669	39.0	31.0
Oman	52	64	64	327	452	573	628	20.9	20.9
Qatar	77	82	86	282	370	406	637	25.8	25.8
Saudi Arabia	63	64	56	3 401	4 743	4 611	6 361	30.0	30.1
United Arab Emirates	91	90	90	1 008	1 330	1 716	3 212	28.5	27.8
Total	..	..	..	**6 377**	**8 620**	**8 521**	**12 801**	**30.7**	**29.0**

Sources: Girgis, 2002; Gulf Cooperation Council data, and United Nations *Trends in Total Migrant Stock, 1960-2005*, 2005 revision.

Table 6
Average annual number of migrants leaving for employment abroad and percentage female in selected countries in Asia: 1990-2003

	Number of migrant workers departing (Thousands)			*Percentage female*	
	1990-1994	*1995-1999*	*2000-2003*	*1995-1999*	*2000-2003*
Bangladesh	174	263	..	..	..
China	75[a]	375[b]	..		
India	377	360	297	..	..
Indonesia	118	328	387	69.0	79.2
Pakistan	145	118	130	..	..
Philippines	489	746	867	..	..
Sri Lanka	52	165	195	70.4	66.1
Thailand	87	193	165	12.2	16.8
Viet Nam	..	13	47	..	..
Total	**1 517**	**2 561**	**2 087**		

Sources: ILO International Labour Migration Database, accessed on 10 January 2006; *World Population Monitoring 1997*, United Nations publication, Sales No. E.98.XIII.4, 1998; Hou Wenrou, China's International Migration Policy, *Asia and Pacific Migration Journal*, vol. 10, No. 3-4 (2001).

[a] Average for 1990-1991, includes both workers abroad under international labour contracts and workers abroad under project contracts.

[b] Average for 1998-1999, includes both workers abroad under international labour contracts and workers abroad under project contracts.

Table 7
Estimated number of migrant workers in selected countries of eastern and southeastern Asia: 1997, 2000 and 2004
(In thousands)

	Estimated number of migrant workers		
Country or area	*1997*	*2000*	*2004*
Brunei Darussalam	..	90	..
China	82	100	130
Hong Kong, China	171	217	235
Taiwan Province of China	246	327	600
Indonesia	35	15	..
Japan	660	710	800
Malaysia	1 472	800	1 359
Philippines	6	6	..
Republic of Korea	245	285	423
Singapore	..	612	580
Thailand	357	176	500
Viet Nam	..	25	..

Sources: Manolo Abella, "Policies and best practices for the management of temporary migration" (mimeo), 2006; SOPEMI, *Trends in International Migration*, 2001 and 2005; IOM, *World Migration 2005*; Philip Martin and others, *Managing Labor Migration in the Twenty-First Century*, 2006; Country reports presented at the workshop on international migration and the labour market in Asia, organized by the Japan Institute for Labour Policy and Training, held in Tokyo on 5 and 6 February, 2004.

3. Migrant students

142. Several countries admit foreigners to pursue courses of study or training in accredited teaching institutions. The number of foreign students enrolled in colleges and universities, that is, institutions of tertiary education, is high and rising rapidly in some countries. France, Germany, the United Kingdom and the United States have long attracted numerous young persons in pursuit of higher education and, since 1990, the destinations of foreign students have become more diverse (see table 8). Australia, China and Japan have emerged as major new destinations for foreign students. Between 2000 and 2003, the number of foreign students in colleges and universities of developing countries more than doubled, reaching 282,000. In developed countries, 2 million foreigners were enrolled in tertiary education in 2003. These data, do not, however, distinguish between the children of migrants who, as foreigners, are completing their education in their country of residence and young persons migrating specifically to obtain an education.

Table 8
Number of foreign students in tertiary education in selected countries: 1990, 2000 and 2003
(In thousands)

	1990	*2000*	*2003*
Africa			
South Africa	..	..	47
Eastern Asia			
China	..	45	111
Japan	41	64	110
Republic of Korea	2	6	17
Southern Asia			
India	..	..	8
Southeastern Asia			
Malaysia	..	19	28
Western Asia			
Jordan	..	12	16
Lebanon	..	15	15
Saudi Arabia	..	8	11
Turkey	..	17	13
Eastern Europe			
Czech Republic	..	8	10
Hungary	..	11	12
Russian Federation	..	64	69
Ukraine	..	13	18
Northern Europe			
Denmark	..	13	18
Ireland	..	7	10
Sweden	..	21	26
United Kingdom	80	226	270
Southern Europe			
Italy	..	25	36
Spain	10	41	54
Western Europe			
Austria	18	30	31
Belgium	27	39	42
France	136	137	222
Germany	107	187	241
Netherlands	..	14	21
Switzerland	23	26	33

	1990	2000	2003
Latin America			
Cuba	..	11	17
Northern America			
Canada	..	45	64
United States	408	548	573
Oceania			
Australia	14	106	136
New Zealand	..	8	26
Developed countries	864	1 633	2 020
Developing countries	2	132	282
Total	**866**	**1 765**	**2 302**

Source: Kritz, Mary M., "*Globalisation and internationalisation of tertiary education*", 2006.

4. Refugees and asylum-seekers

143. The number of refugees in the world declined from 18.5 million in 1990 to 13.5 million in 2005. Developing countries host 10.8 million refugees, with Asia having 7.8 million and Africa 3 million refugees. Overall, 48 per cent of refugees are female. From 1990 to 2004, 21.5 million refugees repatriated voluntarily to developing countries, of whom 6.9 million returned to Afghanistan. Refugee populations constitute 23 per cent of all international migrants in the least developed countries and 18 per cent of migrants in Africa (see table 9).

Table 9
Number of refugees in the world and major areas, 1990 to 2005
(In millions)

Major area	*1990*	*1995*	*2000*	*2005*	*Refugees as percentage of international migrants in 2005*
World	18.4	18.4	15.5	13.5	7.1
More developed regions	2.0	3.8	3.1	2.6	2.3
Less developed regions	16.4	14.5	12.4	10.8	14.4
Least developed countries	4.8	5.6	3.1	2.4	23.2
Africa	5.4	6.4	3.6	3.0	17.7
Asia	9.8	8.2	8.8	7.8	14.6
Europe	1.3	3.0	2.4	2.0	3.1
Latin America and the Caribbean	1.2	0.1	0.0	0.0	0.5
Northern America	0.6	0.8	0.6	0.6	1.2
Oceania	0.1	0.1	0.1	0.1	1.6

Source: United Nations, *Trends in Total Migrant Stock: The 2005 Revision*, data in digital form.

144. In 2005, 2.6 million refugees lived in developed countries, excluding those who had changed status. Most arrived through organized resettlement programmes, however, starting in the mid-1980s, the number of persons seeking asylum in developed countries has risen markedly. According to the Office of the United Nations High Commissioner for Refugees (UNHCR), from 1994 to 2004, 6.1 million asylum applications were filed, 79 per cent in Europe, 20 per cent in Canada and the United States, and the rest in Australia, Japan and New Zealand. The number of applications for asylum peaked in 2001 at 619,000 and has since declined to 310,000 in 2005. France, Germany, the United Kingdom and the United States have been the major recipients of asylum applications. From 1994 to 2004, 40 per cent of asylum-seekers came from Asia, mainly Afghanistan, Iraq and Turkey, a quarter from Europe, particularly the former Yugoslavia, and nearly a fifth from Africa. The rest came mainly from the Central American countries afflicted by conflict in the 1980s. UNHCR reports that from 1994 to 2003, 28 per cent of asylum applications in developed countries resulted in refugee status or permission to remain temporarily. Persons granted refugee status or permitted to stay are usually granted social and economic rights, including the right to work, and therefore have an impact on economic outcomes similar to those of migrant workers.

5. Regularization and migrants in irregular situations

145. A major challenge in managing migration is to prevent irregular or unauthorized migration. The status of foreigners in a country can be irregular for a variety of reasons. Foreigners who enter a country without authorization are in an irregular situation from the time they arrive. But foreigners who enter the country legally may also lose their regular status during their stay. Tourists who work, migrant workers who fail to renew their work permits, asylum-seekers whose applications are denied but fail to leave and foreigners who apply for renewal of permits or changes of status but, because of administrative inefficiencies, remain without a valid permit are all in an irregular situation.

146. No reliable global estimate of the number of migrants in an irregular situation exists. The United States has an estimated 11 to 12 million at the present time. In 2003, the Republic of Korea had 140,000 individuals who had overstayed their visas; Japan had 221,000; Australia, 60,000; and New Zealand about 20,000. For Europe, the estimates of irregular migration are less well founded and fluctuate as a result of regularization. Irregular migration is also common in the developing world, but the figures cited are generally not based on data.

147. One strategy to manage irregular migration, particularly when it results from administrative inefficiencies, is to permit the regularization of foreigners in an irregular situation, provided they meet certain conditions, such as holding a job and having housing and the means to support themselves. During the 1990s, at least 21 regularization programmes were undertaken, including one in Gabon, one in the Bolivarian Republic of Venezuela, three in Costa Rica, one in Thailand, four in Malaysia and the rest in European countries. Over 2.7 million migrants regularized their status through such programmes. Since 2000, 14 additional regularization programmes have been carried out: one in Argentina, one in the Bolivarian Republic of Venezuela, two in the Republic of Korea, one in Thailand and the rest in Europe, particularly in Greece, Italy, Portugal and Spain. These programmes have regularized the status of 2.6 million migrants. Approximately 900,000 additional applications have been received, but have not been processed. Regularized migrants

usually receive temporary work or residence permits, which they may have the possibility of renewing. In some countries, regularization of status is carried out on a routine basis by the government units in charge of managing migration, but the numbers involved are usually small.

E. Sorely needed information

148. States admitting foreigners under different migrant categories usually gather information on their admission, but few countries collect adequate information on the departures of foreigners. Since countries of origin tend not to gather any information on incoming citizens, there is a dearth of reliable data on return migration or circulation. This information is essential in order to assess whether returning migrants contribute to their home economies.

149. There is also scarcity of information on foreigners changing status while still in the country of destination. As States increasingly allow migrants to move from one category to another, this process needs to be better understood, especially if migrants gain greater security of residence in the process. The attachment of migrants to their home societies and their commitment to the host society are likely to change when long-term residence is achieved. Beneficial circulation between the home and host countries seems more likely when migrants have security of status. Enforced circulation related to the renewal of temporary residence or work permits may lead to fewer benefits. The validity of these propositions needs to be tested systematically in a variety of contexts, which is why these basic data are of relevance.

150. A crucial gap in migration statistics stems from the practice of not reporting data by sex. Although it is widely recognized that international migration has different consequences for men and women, the general invisibility of women in the statistical realm continues to hinder an understanding of the role gender plays in determining migration and its outcomes.

151. **Precisely because international migration is a complex process, involving not only the migrants themselves but also their relationship to their States of origin and of destination, it is necessary to develop better ways of gathering, processing and disseminating relevant information in order to understand the process itself and disentangle the dynamic interactions between State regulation, the aspirations of migrants and the choices they make. Furthermore, as data become more widely available, it is necessary to build capacity and train personnel to analyse and interpret the data. Developing countries, in particular, need to develop the statistical and research capacity to carry out policy-relevant analyses.**

II. Impact of international migration on countries of destination

A. Economic impact of migration at the global level

152. Migration and development are inextricably linked, with development shaping migration and migration, in turn, influencing development in ways that are sometimes not well recognized. We know much less about the global impact of

international migration than about its effects on countries of destination, where most research has concentrated. But we do know that the mass transatlantic migration of 1870-1914 was the single most important factor in the convergence of wages between Western Europe and the United States during the first "migration era" (Hatton and Williamson, 2006). Furthermore, the marked segmentation of European and non-European migration flows during that period contributed to an increase in North-South inequalities (Lewis, 1969; United Nations, 2005a). Similarly, the world's current income distribution is increasingly biased in favour of the more mobile factors of production, such as capital and highly skilled labour, and against the less mobile factors, including low-skilled labour (Rodrik, 1997). That is, a freer international mobility of labour would contribute not only to increase global income but also to making its distribution more equitable.

153. The World Bank has recently put forward the argument that the gains from international migration surpass the expected gains from liberalizing merchandise trade, particularly for developing countries. This conclusion is based on a general equilibrium model of the world economy, which simulates the effects that increased international migration would have on the income of the various actors involved. Two scenarios were considered: the baseline scenario, in which international migration trends were modelled so that the share of international migrants remains constant in each region from 2001 to 2025; (b) the migration scenario, which was modelled in the theoretical movement of 14.2 million additional migrants, including 4.5 million skilled workers, from developing to high-income countries between 2010 and 2020, a quantity equivalent to an 8 per cent increase in the number of international migrants as of 2000. In comparison with the baseline scenario, the migration scenario produced an increase in global income of 0.6 per cent. Furthermore, the aggregate percentage gain in income for developing countries (including their emigrants) amounted to 1.8 per cent and that for natives of high-income countries to 0.4 per cent. These gains in income included both wages and returns on investment. Recent migrants gained the most. Households in developing countries also saw their incomes rise by 0.9 per cent on average as compared to baseline levels. The losers were the migrants who had arrived earlier, who, as close substitutes of the new waves of migrants, experienced a 6 per cent decline in their overall consumption levels. The results agreed with those of studies on the economic effects of migration on receiving economies.

B. Impact on wages and employment

154. According to economic theory, migration should either reduce wages or increase unemployment in the country of destination. However, the evidence presented below shows that these effects, if noticeable, are very small, mainly because, as already pointed out, migrants are complements, not substitutes, for the large majority of workers in receiving countries. If anything, new flows of migrants compete with migrants who arrived earlier. By complementing native workers, migrants improve the performance of the receiving economy.

155. In countries of destination, a majority of studies relating to diverse contexts show that increases in international migration have weak effects on overall wages or unemployment (Gaston and Nelson, 2002). However, the inflow of low-skilled migrants has a stronger effect in reducing the wages of low-skilled workers already present at destination (United Nations, 1998; ILO, 2004b). But because the share of

low-skilled national workers is low and has been declining in most high-income countries, the downward pressure that growing numbers of low-skilled migrants have on average wages is small. Studies in the United States indicate that, even in areas with high proportions of migrants, the effects of migration on wages and unemployment are small, but these effects may be stronger for those competing directly for the jobs migrants take, that is, other international migrants or natives with similar levels of education and experience (see Smith and Edmondson, 1997; Borjas, 2003). Panel studies corroborate these findings (World Bank, 2006).

156. Where wages are relatively inflexible, as in many European countries, migrant inflows may increase unemployment rather than reduce wages, especially among low-skilled citizens (Angrist and Kugler, 2002). In France such an outcome results from regulations governing wages (Dustmann and Glitz, 2005). However, when migrants are attracted by an expanding economy, employment may rise, or at least not decline. Thus, between 1984 and 1989 and 1990 and 1995, changes in unemployment and migration intakes in several European countries were not correlated (SOPEMI, 1998). Because growing numbers of migrants increase consumption, this in turn raises overall labour demand and economic growth, improving the economic outcomes for natives.

157. In most countries of destination, the occupational distribution of migrants differs markedly from that of non-migrants, a further indication that they complement each other. Furthermore, to the extent that migrants specialize in labour market activities that would not exist at the same scale, if at all, without their presence, the economy gains. Migration can thus increase the overall number of jobs. According to Linton (2002), migrants fill occupational niches that would not exist in their absence. Cities with migrant populations often generate goods and services, such as ethnic cuisine or childcare services that would not exist or would be scarce without their presence. For this reason, in high-income economies, low-skilled migrants are more likely to complement low-skilled natives than to compete with them (Castles and Kosack, 1984).

C. Integration of international migrants into the labour market of countries of destination

158. For migrants the possibility of joining the labour force and obtaining decent employment is a crucial step in the integration process. When unemployment among migrants is systematically higher than among non-migrants or migrants are more likely to be among the long-term unemployed, systemic labour market discrimination may be at play (Zegers de Beijl, 2000). It is therefore important to consider trends in the labour market integration of migrants.

159. Countries admitting migrant workers temporarily expect them to leave if they become unemployed. That is the case in countries where migrants are tied to specific jobs and employers and where their admission and stay depends on having a job. Under such circumstances, the number of migrant workers in the receiving country rises during economic booms but falls during downturns, so that migrants effectively bear the brunt of economic adjustment. Thus, during the aftermath of the 1997 financial crisis in eastern and southeastern Asia, large number of migrants returned home and countries of origin had to cope with an unexpected inflow of workers.

160. In developed countries, where most migrants have either permanent residence or long-term residence permits, their share of the labour force is often substantial (see table 10). Furthermore, that share has been rising in most OECD countries. Between 1998 and 2003 particularly large increases took place in Luxembourg, Ireland, Spain, the United States, Portugal and Italy, in order of importance.

Table 10
Foreigners in the labour force of selected developed countries: 1998 and 2003
(In thousands)

Major area and country	*1998*	*2003*	*As percentage of total labour force* 1998	2003
Asia				
Japan[a,c]	119	180	0.2	0.3
Republic of Korea[a,d]	77	137	0.4	0.6
Europe				
Austria	380	354	10.0	9.2
Belgium	344	334	8.1	7.7
Czech Republic	23	82	0.5	1.6
Denmark[a]	98	104	3.4	3.5
Finland	26	41	1.0	1.6
France	1 582	1 361	6.2	5.2
Germany	3 384	3 562	8.7	9.0
Greece[b]	..	413	..	9.5
Hungary[a]	22	43	0.6	1.0
Ireland	53	118	3.4	6.5
Italy[a]	615	841	2.7	3.8
Luxembourg[a]	71	87	40.7	45.0
Netherlands	270	317	3.5	3.8
Norway	61	83	2.7	3.6
Portugal	67	140	1.4	2.7
Spain	161	687	1.0	3.7
Sweden	189	210	4.4	4.6
Switzerland	834	877	21.6	21.9
United Kingdom	1 145	1 513	4.1	5.1
Northern America				
Canada[f,g]	2 839	3 151	19.2	19.9
United States[f,i]	17 373	21 564	12.7	14.8
Oceania				
Australia[f]	2 281	2 447	24.8	24.6
New Zealand[f,h]	..	372	..	19.9

(Footnotes on following page)

(Footnotes to table 10)

Source: United Nations, *Trends in International Migration*, SOPEMI, 2005.

[a] Data refer to 2002 and relate to those aged 15 or over.

[b] Data refer to foreigners aged 15 or over who entered Greece for employment purposes and relate to 2001.

[c] Data refer to foreign residents with work permits. Excludes permanent and long-term foreign residents whose economic activity is not restricted (overstayers are not included).

[d] Data include overstayers.

[e] Data refer to resident foreign workers and exclude cross-border workers.

[f] Data reflect the foreign-born population.

[g] Data relate to 1996 and 2001 and refer to persons aged 15 or over.

[h] Data relate to 2001 and refer to persons aged 15 or over.

[i] Data refer to those aged 15 or over.

161. In the 1990s Europe witnessed rising employment among both nationals and foreigners. The labour markets of Ireland and Spain, in particular, absorbed large numbers of foreign workers (SOPEMI, 2005). However, the economic downturn that started in 2000 slowed the growth of foreign employment in most developed countries, with Belgium, France, Germany and the Netherlands experiencing reductions in foreign employment. Even during the 1990s, young (20 to 24) and older (over 55) foreigners as well as foreign women of all ages continued to face obstacles in finding jobs. Belgium, France and the Netherlands were nevertheless successful in promoting the employment of foreign women.

162. The persistence of disparities in unemployment levels between foreigners and nationals in most OECD countries is a source of concern, making Governments reluctant to admit additional migrants without setting conditions on their employment and length of stay. In 2003, foreigners in Belgium, Denmark, France, the Netherlands, Norway and Sweden were at least twice as likely as nationals to be unemployed. Unemployment gaps were narrower in the newer countries of destination (Greece, Hungary, Ireland, Italy and Spain), the overseas countries of immigration and Luxembourg. In most countries, foreign women experienced much higher unemployment than foreign men (SOPEMI, 2005).

163. In European countries, differences in the socio-economic characteristics of foreign and national male workers largely accounted for the gap in unemployment levels between the two. But discrimination cannot be discarded as a contributor to this gap. In three countries, Belgium, France and the Netherlands, higher unemployment levels among foreign male workers living with their spouses persist, even when other factors are controlled for. As for foreign women, difficulties in social integration seem to affect their employment chances, over and above socio-economic factors, since control for those factors cannot eliminate the gap in unemployment levels between them and national women, especially when they have children (SOPEMI, 2005).

164. **Governments recognize the need to promote the labour market integration of migrants so as to achieve social cohesion. To that end, discriminatory practices must be exposed and eliminated through appropriate legislation and anti-discrimination programmes. Since unemployed migrants often lack the human capital necessary to succeed in the evolving labour market, they would benefit from training to improve their command of the local language and**

develop vocational skills. On-the-job training through apprenticeships, counselling and support for entrepreneurial activities would also be useful. Special programmes may be needed to address the specific needs of migrant women, younger and older migrants or those from particular origins, including indigenous peoples.

D. Migrant entrepreneurship

165. In many high-income countries, large cities have acquired a cosmopolitan flair, as migrants make "exotic" products from their home countries available in the shops they run. Migrant entrepreneurs broaden the range of goods and services available, adding vitality to particular city neighbourhoods, thus preventing or even reversing deterioration. Migrant entrepreneurs often have skills that are no longer in sufficient supply in host economies and are willing to work long hours and use their social capital to reduce production and transaction costs.

166. Migrant entrepreneurship and small-scale production that can respond flexibly to changing consumer tastes are on the rise, responding to structural transformations in advanced economies where the service sector is expanding (Kloosterman and Rath, 2003). Businesses owned by migrants often begin by serving the needs of co-ethnics and only later branch out to serve the broader market. Such enterprises tend to be geographically clustered near ethnic enclaves, generating jobs for migrants and providing them with the opportunity to learn how to run a business. As enterprises expand, they tend to employ more natives.

167. Factors promoting entrepreneurship among migrants include the cohesiveness of their extended families, the multiplicity of children or siblings who can provide free or cheap labour, the financial opportunities provided by rotating credit associations run by co-ethnics, the strength of social networks within the migrant community and reliance on relationships based on enforceable trust within that community (Light and Rosenstein, 1995). Opportunities for entrepreneurship undoubtedly add to the dynamism of migrant communities and offer important avenues for the economic mobility of migrant entrepreneurs through the accumulation of wealth. Migrant entrepreneurs often generate increased trade with the countries of origin by selling goods produced in those countries.

168. Migrants are more likely to be self-employed than natives. In the United Kingdom and the United States, migrants and their descendants are over-represented among self-employed workers. Except in Belgium and France, in other developed countries of OECD, self-employment among migrants rose between 1998 and 2003 both in absolute terms and as a proportion of the overall self-employed populations (SOPEMI, 2005). Foreign women are more likely to start small businesses in some countries. In France, for instance, there has been a growing presence of North African migrant women as business owners. In 2000, 44 per cent of the foreign owners of small businesses in France were North African and 46 per cent were European (Khachani, 2004).

169. In the United States, self-employed migrants tend to have higher earnings than salaried workers, even after taking into account the presence of high-earning self-employed professionals (Bradley, 2004). Migrant groups often specialize in particular types of entrepreneurial activity (Portes, 1995). In the United States migrants from India dominate the low-budget hotel business, Koreans specialize in

retail businesses and Chinese run restaurants. In France, North Africans have replaced retiring French shopkeepers; in the United Kingdom, migrants from South Asia run confectioners and newsagents, and in the Netherlands, Turkish migrants run bakeries and grocery stores.

170. In Germany, by the late 1990s, 51,000 German entrepreneurs of Turkish origin were employing 185,000 persons, 20 per cent of whom were German. Of those enterprises 73 per cent relied on German businesses for supplies. Increasingly, such firms engaged in international ventures beyond Turkey. The Government of Germany has been promoting entrepreneurship by providing financial assistance and advice to migrants considering setting up a business. Similar initiatives have been documented in Austria, Portugal and Scotland (Pécoud, 2001).

171. In South Africa, migrants from other African countries have been starting small businesses. Migrant women often work in street and cross-border trade, an activity that empowers them economically. According to one study, the average migrant enterprise generates over three jobs (Peberdy and Rogerson, 2003).

172. Often, migrant entrepreneurs take over businesses that natives are leaving. Millman (1997) notes that in the United States an increasing number of farms are owned by Hispanic and Asian migrants, at a time when many older, native-born farmers are leaving farming altogether.

173. Systematic assessments of whether migrants do well as entrepreneurs have produced mixed results. It has been suggested that self-employment may represent a second-best option for migrants, who have lower chances of getting jobs in the formal labour market. Whether self-employment among migrants improves earnings has been much debated (Borjas, 1990; Bates, 1997; Waldinger, 1996; Kloosterman and Rath, 2003). Part of the problem in assessing outcomes is that a small number of self-employed are very successful, which is to say that although self-employment may have a poor average pay-off, it has a high potential one. Analyses of migrant communities in American cities indicate that, except for an exceptional minority, self-employed workers work longer for lower average hourly earnings than salaried workers with similar characteristics (Logan and others, 2003). Nevertheless, the persistence and expansion of self-employment among migrants suggests that it has other advantages, including the fact that: it provides jobs for migrants still unfamiliar with the language and mores of the receiving society; it is a family strategy to accumulate wealth and set the foundation for the economic mobility of the next generation; and it provides a possible path to success in the wider economy. Available evidence indicates that over time many self-employed migrants do well (Bradley, 2004).

174. Governments, realizing the potential benefits from migrant entrepreneurship, have already started to provide some assistance to migrants interested in setting up new businesses. Australia, Canada and the United States grant immigrant visas to foreign entrepreneurs who present viable business plans and ensure a minimum investment. **To promote migrant entrepreneurship, Governments should remove regulatory barriers preventing the self-employment of migrants, whether generally or in particular sectors, and ensure that migrants in a regular situation have equal access to financial services as natives and that their property rights are respected.**

E. International migration and urban renewal

175. International migration has also played an important role in preventing the depopulation of cities in developed countries and in revamping their housing markets. During the 1960s and 1970s, the movement of natives to the suburbs slowed down population growth in the cities of many developed countries, giving rise to a trend known as "counter-urbanization". But in the 1980s counter-urbanization ceased, partly because of the growing number of international migrants settling in the core of big cities. In 2000, immigration was identified as one of the two most powerful demographic trends reshaping American cities (Florida, 2004). Key urban centres, such as the "gateway cities" of Chicago, Dallas, Houston, Los Angeles, Miami, New York, San Diego, San Francisco and Washington, D.C. in the United States and Toronto and Vancouver in Canada have growing populations mostly because of the inflow of international migrants, who have more than counterbalanced the outflow of natives. Most of these are "global cities", centres of trade, international finance and corporate or government headquarters (Frey, 2004; Pumain, 2004). Although the full implications of these trends remain to be established, these metropolitan centres seem to benefit from the inflow of international migrants and the increasing demand for housing (Grogan and Proscio, 2000).

176. In New York, for example, the proportion of foreign-born increased from 28 per cent in 1990 to 40 per cent in 2000, and this growth has coincided with rising property values, the rescue of blighted neighbourhoods and sharp reductions in crime (Florida, 2004; Millman, 1997). Furthermore, specific migrant groups have carved residential niches in previously poor neighbourhoods, and have made them into thriving communities. West Indians in Brooklyn, for instance, have achieved moderate home ownership, thus contributing to raise property values by having multiple wage earners per household and using informal credit systems run by co-ethnics (Crowder, 1999).

177. In European cities, constraints in attaining home ownership and the tendency of some migrant groups to live in segregated suburban communities have had negative repercussions. In some cities, newly arriving migrants compete for moderately priced housing, driving prices up. In Barcelona, for instance, migrants often pay higher rents than natives for equivalent housing, and there is geographical segregation (Domingo i Vals, 1996). In Madrid, Polish migrants have tended to settle in poorer neighbourhoods, but with 60 per cent of them having at least secondary education and 30 per cent having some tertiary education, their housing conditions will likely improve over time (Aguilera Arilla and others, 1996).

178. Migrants having a common origin tend to settle in specific cities, creating migrant enclaves that allow them to maintain cultural and social ties with compatriots and possibly the critical mass needed to nurture ethnic enterprises. Over time, these enclaves may prosper if migrants succeed and are able to invest in housing, weaken as migrants move to better housing elsewhere or remain segregated and poor. **There is still much to learn about the factors that lead to each of these outcomes but both the emergence of migrant businesses catering to the community and the possibility of achieving home ownership seem to be elements that lead to beneficial outcomes.**

III. Impact of migration in countries of origin

179. Migration can have several positive consequences for countries of origin. It can reduce labour market pressures in countries with labour surpluses; through remittances it can improve the well-being of migrants' families; via multiplier effects remittances can promote income growth and help to reduce poverty at the community and national levels; and, through financial intermediation, remittances can facilitate productive investments. This section focuses on the consequences of migration.

180. However, countries of origin face a dilemma: in generating remittances they forgo the labour and skills needed to become productive. This is perhaps the single greatest challenge faced in making international migration a promoter of economic development at origin. The challenges and opportunities posed by the emigration of skilled persons are considered in chapter IV below.

181. Aside from benefiting from the reduction of transfer fees for remittances or by leveraging the impact of remittances, countries of origin can also gain through cooperation with their expatriate communities, as well as promote the transfer of savings, knowledge and skills through return migration. The potential for migration to promote co-development in these ways is considered in chapter V below.

A. International migration and the labour markets of countries of origin

182. Virtually all evidence indicates that tighter labour markets discourage emigration, although the departure of workers may not result in tighter labour markets. In some countries, workers who emigrate are easily replaced and there is no discernible loss in output or increase in wages after their departure. This outcome is more likely when the number of emigrants is low in relation to the labour force, when those departing were mostly unemployed or underemployed and when they can be replaced via internal migration or training without a significant reduction in worker quality, as with the cases of Bangladesh, India, Indonesia and Sri Lanka (Lucas, 2005). In very populous countries with high underemployment or unemployment, even high levels of emigration may have minimal effects on unemployment or wages (United Nations, 1998).

183. However, because migration is selective, it may induce upward pressure on wages in specific sectors. In Pakistan, for instance, emigration to GCC countries has increased wages for skilled construction workers and possibly also for unskilled construction workers and agricultural workers (United Nations, 1998). Similarly, real wages in the Philippines seem to have risen in parallel with migration, especially for workers in manufacturing (Lucas, 2005). In small countries with large expatriate populations, the reduction of unemployment or underemployment related to emigration may be substantial.

184. No matter what happens to wages, emigration of low-skilled workers generally produces gains among those who remain behind. In Albania, for instance, emigration has eased the transition to private sector employment (Lucas, 2005). In countries experiencing large migrant outflows, such as Mexico, Pakistan and the Philippines, the numbers departing annually have been close to the increase of the labour force without migration, suggesting that migration can provide an important employment outlet in times of jobless growth or economic stagnation (O'Connor and Farsakh, 1996).

185. Labour migration has also been instrumental in prompting certain groups to become economically active. Women migrating to work as domestic workers have often never worked for wages before, in particular those from countries such as Indonesia or Sri Lanka. About half of the female migrant workers leaving Sri Lanka in the late 1980s were joining the labour force for the first time (Rodrigo and Jayatissa, 1989). That is also the case of young persons admitted as "working holidaymakers" in some developed countries, since most were students or recently graduated students before migration.

B. International migration, income distribution and poverty reduction

186. While low incomes create an incentive for people to emigrate, international migration often increases also when incomes rise. Generally, international migrants originate in households with middle incomes relative to their communities, mainly because international migration is costly and risky. Poor households do not have sufficient means or the possibility to absorb such risks. Hence, international migration is still relatively rare in the lives of the poor. In communities of origin, the probability of migrating is lower for low-income households, increases as incomes rise and tends to decline for those with higher incomes (Taylor, 2006).

187. However, once migrants from a certain community establish a foothold abroad, migration from that community will likely increase as those abroad help friends and relatives to migrate. The resulting "migration network" reduces the costs and risks of migration. Network connections are especially important for migrant women who are more concerned about avoiding risk (Massey and others, 1998). Over time, access to networks spreads not only through relatives or friends, but also through institutions that promote and sustain migration, including the recruiting industry (Woodruff and Zenteno, 2001; McKenzie and Rapoport, 2005).

188. Understanding that migration begins in better-off households and only later expands to a rising proportion of poorer households explains the apparently conflicting results on the impact of international migration on income inequality and poverty found in different studies (Barham and Boucher, 1998; Knowles and Anker, 1981; Adams, 1989; and Adams and Alderman, 1992; World Bank, 2006). That is, when migration begins in a community, remittances initially increase income inequality, but, as migrants from poorer households join the outflow, remittances reduce that inequality. In rural Mexico, for instance, the effect of remittances in increasing income inequality drops when migration becomes more widespread and the impact of the cash inflow in reducing the depth and severity of poverty is enhanced (Taylor, Mora and others, 2005). Studies in other settings corroborate these findings (Ozden and Schiff, 2006). An important consequence is that the migration of low-skilled workers is the most likely to reduce poverty in developing countries (World Bank, 2006).

189. **Given that migration can contribute to the reduction of poverty, it is useful to take migration into account in developing poverty reduction strategies and in preparing planning documents for the United Nations Development Assistance Framework (UNDAF) process, as is being done in some developing countries. To develop effective interventions in this regard, the evidence base needs to be expanded, especially in order to find ways of accelerating the positive effects of remittances on the poorest households.**

C. Impact of remittances

190. Remittances are the most immediate and tangible benefit of international migration. The World Bank estimates that, at the world level, remittance[3] transfers more than doubled over the past decade, rising from $102 billion in 1995 to an estimated $232 billion in 2005. The share of global remittances going to developing countries has also increased, passing from 57 per cent in 1995 ($58 billion) to 72 per cent in 2005 ($167 billion). Remittances are concentrated in a few countries: the top 20 recipients accounted for 66 per cent of the world total in 2004, eight being developed countries (see table 11). India, China, Mexico and France, in order of importance, received a third of global remittances. Remittances constituted a high share of gross domestic product (GDP) in only two of the major recipients, the Philippines and Serbia and Montenegro. Most of the 20 countries where remittances accounted for at least a tenth of GDP are small developing economies.

Table 11
Top twenty countries in terms of receipts of remittances and with respect to remittances as share of GDP: 2004

Country	*Remittances (Billions of dollars)*	*Cumulative percentage of world total*	*Country*	*Remittances as percentage of GDP*
India	21.7	9.6	Tonga	31.1
China	21.3	19.0	Moldova	27.1
Mexico	18.1	27.1	Lesotho	25.8
France	12.7	32.7	Haiti	24.8
Philippines	11.6	37.8	Bosnia and Herzegovina	22.5
Spain	6.9	40.9	Jordan	20.4
Belgium	6.8	43.9	Jamaica	17.4
Germany	6.5	46.8	Serbia and Montenegro	17.2
United Kingdom	6.4	49.6	El Salvador	16.2
Morocco	4.2	51.5	Honduras	15.5
Serbia and Montenegro	4.1	53.3	Philippines	13.5
Pakistan	3.9	55.0	Dominican Republic	13.2
Brazil	3.6	56.6	Lebanon	12.4
Bangladesh	3.4	58.1	Samoa	12.4
Egypt	3.3	59.6	Tajikistan	12.1
Portugal	3.2	61.0	Nicaragua	11.9
Viet Nam	3.2	62.4	Albania	11.7
Colombia	3.2	63.8	Nepal	11.7
United States	3.0	65.1	Kiribati	11.3
Nigeria	2.8	66.4	Yemen	10.0
World total	**225.8**	**100.0**		

Source: World Bank, *Global Economic Prospects 2006*, figure 4.1.

191. Because remittances transferred through informal operations or hand-carried are not necessarily captured by reporting systems, it is thought that real remittance volumes are larger than the estimates cited. However, these estimates are already about double the value actually reported (World Bank, 2006). Because many countries fail to report data on remittances, values had to be imputed. These deficiencies call for caution in interpreting the estimates available (Kapur, 2003; World Bank, 2006).

192. For decades, the hope has been that households receiving remittances will invest them productively, thus creating new income opportunities at home and perhaps an alternative to future migration. However, studies focusing exclusively on the use of remittances have consistently found that they are mostly used for consumption. To find the real impact of remittances, it is necessary to look beyond their immediate use. Studies comparing expenditures in households with and without international migrants have found that households with migrants invest more and allocate less to consumption than other households at the same income level, suggesting that remittances do contribute to better economic outcomes (Taylor and Mora, 2006; Adams, 2005). In particular, remittances are often instrumental in paying for education and health care, thus improving human capital (World Bank, 2006). Furthermore, international migration, by generating remittances, also helps households overcome some of the constraints they face because of underdeveloped markets. Lack of credit or insurance, high transaction costs in output and input markets and limited access to information because of poor communications and transportation infrastructure constrain the productivity of households in developing countries, especially those dependent on agriculture for a living. By engaging in migration, these constraints can be partially overcome (Stark, 1991; Taylor and Martin, 2001). A migrant, through remittances, can provide the household with capital and income security that may facilitate the transition to more productive activities, such as commercial agricultural production or microenterprises. In Mexico, for instance, about a fifth of the capital invested in microenterprises is associated with remittances (Woodruff and Zenteno, 2001). Remittances also appear to ease credit constraints in new business formation, as is the case in the Philippines (Yang, 2004).

193. Migration cannot overcome all types of market failure. If households cannot replace those who migrate with hired workers or labour-saving devices, production may fall. Thus, while international migration may reduce production in migrant-sending households in the short-run, in the long-run it will raise production as households with migrants abroad become better able to invest and adapt to the absence of the migrants (Massey and others, 1998). By providing households with the liquidity and income security that they need to invest, migration and remittances can create "income multipliers" within households, so that household income rises by one additional dollar for each dollar received.

194. Remittances also have the potential to increase the incomes of households without migrants. Because of multiplier effects, every dollar from remittances may create two or three additional dollars of income in the communities of origin, mostly because remittances are spent on goods and services supplied by others in the local economy. Even if remittances buy goods or services produced outside the community of origin, multiplier effects will raise incomes because of diffusion through the national economy. Consequently, expending remittances may stimulate investment by households other than those receiving the remittances because the

increasing demand for goods and services raises incomes. The impact of remittances is therefore found not only in the households that receive them but also in the broader economy. Although remittance multipliers are larger at the national level than at the community of origin, they have a greater proportionate effect at the community level.

195. However, if remittances are spent on non-tradables, that is, goods or services that are not traded in international markets, the additional demand they generate may drive up the prices of such goods and services. Evidence indicates that wages or land prices are higher in regions with large numbers of migrants abroad. These price changes may reduce production unless productivity also increases. For this reason, international migration may reduce local production in the short-run, especially in activities that rely heavily on labour, but over the medium to long-term, it may increase local production through the income and investment multipliers it generates (Massey and others, 1998; Taylor and Adelman, 1986).

IV. Nurturing skill creation and improving the distribution of skills

196. Skilled migration has been rising in recent decades, facilitated by policies that favour the admission of persons with needed expertise. This trend, in turn, responds to the increasing importance of technological advances in driving economic growth, which prompts Governments to enhance the competitive advantage of their knowledge-based industries. Faced with increasing competition for skilled workers, the business sector has promoted the liberalization of migration policies. Furthermore, because skilled migrants earn higher wages and pay higher taxes than those with low skill levels, their potential contribution to meet the high fiscal costs associated with ageing populations makes them attractive additions to the labour force. Lastly, the expanding globalization of production and trade demands greater mobility of skills, if only because multinational companies need to transfer staff between their production sites. Not surprisingly, this type of mobility has been subject to the most liberalization under mode 4 (Technical Subgroup on the Movement of Natural Persons) of the General Agreement on Trade in Services of the World Trade Organization.

197. Countries facing unmet demands for skilled workers can either train them or permit them to come from abroad. Today, the training of skilled personnel has been globalized and even developing countries are active in attracting high-quality training institutions both to educate their citizens and attract bright students from abroad. The rapid expansion of transnational education indicates that the market for quality education is large and growing. **Governments would do well to consider how best to collaborate among themselves and with the private sector in improving access to tertiary education and other specialized training for citizens of poor countries, especially in occupations that are in high demand in countries of destination and scarce in countries of origin. Governments might also develop joint ventures that help retain professional and technical personnel in the countries and regions where it is most needed. Partnerships involving the private sector, both with respect to training and in improving the working conditions in particular occupations, could promote useful synergies.**

Co-development ought to provide the guiding framework for strengthening Government cooperation in this critical aspect of development.

A. Globalization of education

198. The expansion of trade and investment in the global economy since the 1980s has been accompanied by an increase in the international trade in education services, particularly in higher education. As documented above (see table 8), the increasing number of students migrating to obtain tertiary education abroad is part of this trend. There is also growing "mobility" of the service providers themselves, which, often with Government support or encouragement, have been expanding partnerships with foreign educational institutions or even setting up branches of their own institutions abroad.

199. These changes are occurring because Governments, universities and corporations recognize that there is a global shortage of highly trained workers and are taking steps to expand their numbers. The potential market for higher education is large and growing. In 2000, just 16 per cent or 69 million of the 429 million persons aged 20 to 24 in developing countries were enrolled in tertiary education. By 2015, if enrolment ratios increase modestly, the number of students in tertiary education could rise to nearly 100 million persons in the same age group. Clearly, the global capacity to train students at the tertiary level needs to expand markedly to satisfy even part of the resulting additional demand for education.

200. For decades, students from both developed and developing countries have sought higher education in the United States and in various countries in Europe. However, as new countries develop their training capacity, a reorientation of migrant student flows is becoming evident (Tremblay, 2005). There is also a growing awareness in the development community that the movement to internationalize the delivery of tertiary education has enormous potential for building human capital and advancing economic development in developing countries (Knight, 1999; OECD, 2004; Ninnes and Hellsten, 2005). Indeed, by training people in their own countries or in countries in their own region, it is more likely that they will stay in that region. Thus, in order to enhance domestic capacity to provide education at the higher levels and to reduce the foreign-exchange costs associated with study abroad, developing countries are allowing, if not actively seeking, prestigious foreign universities to set up "branch campuses" or "subsidiaries" in their territories. China, India, Malaysia, Mexico, Nigeria, Qatar, Singapore, South Africa and the United Arab Emirates are among the countries that already host such international campuses. These developments imply increased international mobility of faculty and teaching personnel.

201. For their part, developed countries are interested in fostering such collaboration partly because the export of educational services can be very profitable (Phillips and Stahl, 2001). The Government of Australia, in particular, has been supporting the expansion of Australian universities overseas. In 2003, 34 Australian universities had foreign students enrolled offshore, amounting to 40.5 per cent of Australia's international students. The majority were in Malaysia and Singapore.

202. In Europe, the European Union established the Erasmus programme in 1987 to encourage European students to study abroad for periods ranging from three months

to a year. Thirty-one European countries participate in the programme. By 2004, over 1.2 million students and 2,000 tertiary institutions had participated in the programme. Erasmus also supports teacher mobility. In 2003, the European Parliament and the European Council approved Erasmus Mundus, a new programme that provides scholarships for students from developing countries to study in Europe and for European students to study in developing countries (Kritz, 2006).

203. The number of persons studying abroad has been rising and will probably continue to increase in the foreseeable future. The majority of students seeking education abroad originate in high or middle-income countries, although high numbers of students from China and India also study in developed countries. In 2000, there were 127,000 students from China in OECD countries: 78,000 from the Republic of Korea; 67,000 from India; 64,000 from Japan; 63,000 from Germany; and 60,000 from France (Kritz, 2006). Greece, Italy, Turkey, Morocco and Taiwan Province of China, also had sizeable numbers of students abroad. Data relative to the United States indicate that 60 per cent of foreign students in tertiary education paid for their studies from family funds. The rest received scholarships, often from institutions in their countries of origin.

204. Clearly, countries of origin see advantages in securing advanced training for their citizens, particularly in areas or disciplines related to fast moving technological areas. Countries of origin expect that the highly trained returnees will contribute to the transfer of knowledge and technology needed to propel their economies, facilitate institution-building and accelerate economic growth, although they realize that graduating students will return only to the extent that suitable work opportunities exist at home. Even if these students do not return in the short-term, countries of origin are increasingly making use of networks involving highly skilled expatriates and of programmes to promote working visits to the country of origin to enhance collaboration and the transfer of knowledge. Asian countries, including China, India and the Republic of Korea, are particularly active in this regard (Wescott, 2005).

205. **In conclusion, the need to train more skilled persons who may stay and thrive in their own countries might be met by promoting public-private partnerships to establish regional training institutions catering to both young persons whose families can afford to pay for their education and to those who require subsidized training but who make a firm commitment to return home. As discussed below, if skilled migration produces the incentive to invest in education to improve one's chances of emigrating, the availability of training centres near one's home country may make this outcome more likely and, in the process, increase the supply of needed skills.**

B. Highly skilled migration

206. Global statistics on levels and trends of highly skilled migration do not yet exist. Data from censuses has, however, permitted the estimation of the number of foreign-born persons living in OECD countries who report having completed tertiary education. Equating such persons with the highly skilled provides some indication of the extent of skilled migration today (see table 12). In 2000, there were about 20 million highly skilled migrants aged 25 or over living in OECD countries, up from 12 million in 1990 (Docquier and Marfouk, 2006). The 8 million increase represents 46 per cent of the total growth in migrants aged 25 or over from 1990 to 2000.

207. Equally comprehensive data do not exist for developing countries. In Latin America, there were 1.3 million migrants with at least 10 years of education in the early 1990s, but far fewer would have had tertiary education. In 2003, Saudi Arabia had about 600,000 highly skilled migrants.

Table 12
Indicators regarding the change in the number of migrants with tertiary education in countries of the Organization for Economic Cooperation and Development: 1990-2000

	Migrants aged 25 or over with tertiary education			
	Number (Thousands)		*Increment (Thousands)*	*As a percentage of the overall increase of migrants aged 25 or over*
Major area and country	*1990*	*2000*	*1990-2000*	*1990-2000*
Oceania				
Australia	1 110	1 540	430	54
New Zealand	195	232	37	25
Asia				
Japan	330	329	(1)	—
Republic of Korea	15	52	37	36
Turkey	49	141	92	40
Latin America				
Mexico	123	142	19	35
Northern America				
Canada	1 879	2 742	863	91
United States	6 203	10 354	4 151	47
Eastern Europe				
Czech Republic	..	60	..	15
Hungary	32	55	22	55
Poland	101	103	3	3
Slovakia	30	42	12	5
Northern Europe				
Denmark	11	32	20	27
Finland	4	22	17	31
Iceland	2	5	2	36
Ireland	35	116	81	54
Norway	33	64	31	45
Sweden	138	221	83	44
United Kingdom	570	1 257	687	80
Southern Europe				
Greece	29	24	-5	—
Italy	81	142	61	16

	Migrants aged 25 or over with tertiary education			
	Number (Thousands)		Increment (Thousands)	As a percentage of the overall increase of migrants aged 25 or over
Major area and country	1990	2000	1990-2000	1990-2000
Portugal	15	30	15	41
Spain	148	230	82	16
Western Europe				
Austria	27	103	76	15
Belgium	94	186	92	77
France	300	615	314	>100
Germany	556	996	440	30
Luxembourg	11	29	19	60
Netherlands	147	254	107	30
Switzerland	197	287	90	37
European Union (15 members)	2 166	4 526	2 360	47
OECD (in millions)	12 467	20 403	7 936	46

Source: Adapted from Frederic Docquier and Abdeslam Marfouk, "International migration by education attainment, 1990-2000", in *International Migration, Remittances and the Brain Drain*, Caglar Ozden and Maurice Schiff, eds. World Bank and Palgrave Macmillan, 2006.

Note: The symbol > is used in the present table to indicated that the actual percentages are greater than the percentages quoted.

208. Data classified by country of birth indicate that 56 per cent of the highly educated migrants in OECD countries originate in developing countries. Estimates of the proportion of highly educated persons born in a country but living in OECD countries show that very high proportions of the highly educated labour force of some poor countries live abroad (SOPEMI, 2005; Kapur and McHale, 2005). Between 33 and 55 per cent of highly educated people from Angola, Burundi, Ghana, Kenya, Mauritius, Mozambique, Sierra Leone, Uganda and the United Republic of Tanzania live in OECD countries (SOPEMI, 2005). In the case of Haiti, Fiji, Jamaica and Trinidad and Tobago the equivalent proportion surpasses 60 per cent, and for Guyana the figure reaches 83 per cent. These data do not, however, indicate where the persons involved received their education.

209. United States census data on time of arrival suggest that about 55 per cent of the highly skilled, employed migrants from Latin America and the Caribbean and over 40 per cent of those from China and India obtained their college degrees in the United States, and that such proportions are even higher for persons with graduate degrees (Ozden, 2005).

210. Of particular concern is the emigration of skilled workers in the health sector. Estimates based on information for the OECD countries indicate that 23 per cent of doctors trained in sub-Saharan Africa work in those countries, with percentages of doctors working abroad ranging from 3 per cent for Cameroon to 37 per cent for

South Africa. In addition, about a fifth of the nurses and midwives trained in sub-Saharan Africa work in OECD countries (WHO, 2006).

211. The effects of skilled emigration on countries of origin can operate on several fronts. The emigration of skilled personnel may initiate a virtuous circle whereby those left behind choose similar training as those who left, in the hope of one day going abroad themselves. Given that the chances of emigration are limited, the result is likely to be a growing supply of professional and technical personnel in countries of origin (Stark and Wang, 2001). Although evidence supporting this hypothesis is still sparse, a growing number of countries appear to have benefited from the emigration of their best and brightest. For instance, large numbers of students and skilled workers migrated from the rapidly growing Asian economies while they were undergoing the structural transformation needed to boost economic growth. These economies have generally been successful in attracting some of their skilled emigrants home, at fostering linkages with those that remain abroad and at facilitating investment from those emigrants who have or can raise capital. India has experienced large-scale emigration of workers in information technologies, but has nevertheless been able to replace those skilled emigrants and to create a service export industry (IOM, 2005).

212. Overall, however, these virtuous circles or "brain gain" phenomena are probably less abundant than the "brain drain" generated by the migration of skilled personnel. Beine, Docquier and Rapoport (2003) suggest that the losses due to emigration will clearly exceed their positive impact in countries when high proportions of highly educated persons (over 20 per cent) emigrate, but countries with lower levels of skilled emigration, such as Brazil or India, could benefit. In some countries, emigration of skilled persons leads indeed to shortages in key occupations. In South Africa, for instance, the Department of Health estimates that over a quarter of the vacancies for nurses could not be filled in 2001, and this phenomenon is equally or even more common in other sub-Saharan countries.

213. The option of emigration can also affect institutions and policies in countries of origin, for example by making Governments reluctant to invest in higher education when faced with the prospect that most of those trained will migrate abroad. It may also restrain the Government from imposing higher taxes on the better off for fear that they may leave (Kapur and McHale, 2005).

214. The absence of highly skilled individuals is likely to hinder innovation and the adoption of new technologies, reduce the quality of social services and slow down, if not prevent, institution-building. However, highly skilled emigrants can contribute to the home economy from afar by being the source of trade, investment, remittances and knowledge. Emigrants can also lower the barriers to international business initiatives by building positive reputations and thus helping developing countries to integrate more easily into global production chains and international trade. Lastly, returning highly skilled migrants can make use of their skills, social networks abroad and wealth to invest in the home economy (Kapur and McHale, 2005). For instance, in China, India and the Republic of Korea, returnees from the United States have been the main driving force behind the growth of the software industry.

215. Recent analyses of the effects of skilled migration generally conclude that it is beneficial for receiving countries and, generally, for the migrants themselves. However, skilled migrants are not always able to make full use of their

qualifications abroad. Most Latin American migrants in the United States who obtained their higher education abroad failed to enter occupations commensurate with their skills (Ozden, 2005). **To prevent such wastage, international cooperation is needed to promote mutual recognition of degrees, qualifications and certifications. Governments also need to prevent discriminatory hiring based on origin.**

216. **Because low-income countries are the most likely to be detrimentally affected by the emigration of skilled persons, it is important to consider ways of mitigating these effects. The most important measure may be to adjust training to existing needs and to make it responsive to local conditions. Both countries of origin and countries of destination need to make better assessments of which needs they require in the immediate and long term and to devise plans to meet them. In countries of destination, these measures may reduce the demand for foreign skilled workers over the medium or long term. In countries of origin, the expansion of training may reduce shortages even if migration continues. Regional arrangements for the training of personnel critical to the provision of basic services, such as education and health, may be developed with the support of donor Governments and through public-private or private-private partnerships.**

217. **Retaining needed workers is also essential. To that end, countries of origin must focus on increasing job opportunities and improving the working conditions of skilled workers, both by fostering career opportunities and providing adequate pay. To retain health workers, it is also necessary to improve the basic health infrastructure and make basic medical supplies available. Co-development initiatives that merit consideration include the twinning of health institutions in high-income and low-income countries and South-to-South cooperation in various forms, including the provision of health services in low-income countries by medical personnel from other developing countries.**

218. **Countries admitting highly skilled migrants ought to prevent the wastage of their skills by working towards ensuring that their conditions of service and remuneration are similar to those of citizens with comparable qualifications. In addition, high-income countries need to refrain from actively recruiting skilled personnel in low-income countries that are already experiencing skill shortages or, more positively, actively support the formation of human capital in those countries. Because private recruitment agencies that specialize in the placement of skilled workers in developed countries are multiplying, Governments may need to regulate their international activities to prevent their practices from being detrimental to the attainment of the pressing development objectives of low-income countries.**

219. It has long been argued that the emigration of skilled persons represents a drain to the country of origin because it loses the investment made in their training and is not assured of fiscal compensation in the form of taxes. Redress could be obtained by taxing skilled emigrants (Bhagwati and Wilson, 1989; Bhagwati, 1991; Kapur and McHale, 2006). However, taxation of citizens abroad, while in principle possible, is very difficult to implement. It has therefore been suggested that countries of destination could share the tax paid by skilled migrants with the countries of origin. On occasion, countries of origin have tried to levy taxes directly

from skilled migrants at the point of exit, but these measures have not been effective. It has been somewhat more possible for Governments to obtain repayment for scholarships granted to pursue higher education abroad when the recipients remain abroad.

220. **Countries of origin can also promote the return of their skilled migrants. Granting dual citizenship allows migrants to retain the possibility of returning. Some countries have developed innovative policies to facilitate return, particularly in regard to easing the transfer of financial resources, offering tax breaks and facilitating productive investment. Since job opportunities are likely to prompt return, disseminating information about job openings on the Internet may be helpful. Furthermore, developing countries requiring technical expertise may also admit highly skilled migrants from other countries. Traditionally, technical cooperation has been the means of securing foreign experts to work in low-income countries. Co-development partnerships, with an element of training so that local personnel can take over when experts leave, could be a useful adjunct to satisfy the needs of low-income countries.**

V. Migration as a tool for development

221. History shows that trying to keep people at home is not only costly, but futile. Increased population mobility is concomitant with economic success. Governments should nevertheless redouble their efforts to stimulate income growth, job creation and development in countries of origin.

222. Crucially, many of the problems that induce people to migrate also limit the ability of remittances to stimulate development in communities of origin. In countries where income and agricultural production are growing, migration is a reflection of success and remittances find fertile ground to promote development. But in stagnant economies riddled with limited human capital, poor infrastructure, market failures and weak institutions, international migration reflects failed development and its positive effects are likely to be limited.

223. Once international migration takes off in a community or region, it is often difficult to stop. Therefore, in order to moderate international migration, Governments might do well to concentrate their development efforts in regions where migration has yet to take hold. However, turning poor areas into dynamic economies that can retain people is difficult and costly and may not even be feasible because of resource constraints or geographical isolation. Under such circumstances, migration may be the most efficient response, provided its beneficial effects are supported.

224. The conflict between benefiting from remittances yet losing the labour necessary for increased productivity may be the single greatest challenge to making international migration a promoter of economic development in countries of origin. As remittances take off, the availability of foreign exchange can lead to exchange rate overvaluation, adversely affecting exports and increasing the competition of imports with local production. Ensuring that remittances do not reduce domestic competitiveness poses a constant challenge, particularly for small economies where the share of remittances in GDP is high.

225. A similar dilemma arises at the household level, where the households receiving remittances often lack the labour needed to use the income productively. Given this fact, it may be unreasonable to expect those households to increase production. Since some households are good at producing migrants and others are better at producing goods, the solution may be to link the two through credit institutions (microcredit is often appropriate) so that productive investments can take place. Otherwise, lacking credit, households without migrants will soon find a way to join the outflow and the incentive to invest locally in productive activities may decline.

226. Because remittances are an immediate and tangible benefit of international migration, it is easy for policymakers simply to let international migration continue uninterrupted. This is a mistake. International migration can easily masquerade as a substitute for sound development policies and countries can become dependent on remittance flows. Without the right economic environment, international migration can convert sending areas into "nurseries and nursing homes" instead of producing dynamic economies, which, over time, may offer attractive alternatives to migration. Governments need to take charge of shaping an environment that can make international migration an effective tool for development. Specific measures to do so are reviewed below.

A. Reducing remittance transaction costs

227. Most migrants send remittances in small amounts. While fees charged by money-transfer agents have declined, especially in the high-volume corridors, they remain high compared to the actual costs of transferring money internationally (Orozco, 2006). Clearly, high transaction costs reduce the amount that eventually reaches the families of migrants.

228. Until recently, formal channels for the transfer of remittances were in the hands of a few money-transfer operators such as Moneygram or Western Union. The high profits in money-transfers have already attracted others to the business. Post offices, for instance, are increasingly moving towards cheaper, more secure and time-guaranteed electronic transfers of funds. Currently, about 160 members of the Universal Postal Union (UPU) handle over 10 billion money orders and financial transfers yearly, and about 50 members already offer electronic transfer services. Commercial banks have also recognized that remittances are an important source of new business opportunities.

229. More recently, banks, credit unions and even microfinance institutions serving developing communities have entered the money-transfer business, benefiting from the expansion of the customer base. Orozco (2006) documents the innovative services provided by these institutions in countries such as Bangladesh, Ecuador, El Salvador, Egypt, Guatemala, India, Kenya, Mexico, Morocco, Pakistan, the Philippines and Uganda. In Latin America and the Caribbean, the Inter-American Development Bank, through its Multilateral Investment Fund, has been engaged since 1999 in research and advocacy to reduce the cost of remittance transfers and improve their impact on development (Orozco, 2006). The Fund has funded initiatives by private-sector financial institutions to expand services in developing countries and, together with the International Fund for Agricultural Development (IFAD), has secured funding to promote microfinance and investment in rural areas.

Bilateral donors have also increased funding for projects that facilitate remittance transfers and improve their development impact.

230. Despite these advances, transfer fees are still high, especially in low-volume corridors, and currency-conversion charges, which are not disclosed to customers before the transaction takes place, continue to be a drain. **Governments can do much to increase competition in the remittance market and maintain pressure on fee reduction, including: lowering capital requirements for the establishment of transfer services and open postal, banking and retail networks to non-exclusive partnerships with money-transfer agents; requiring money-transfer agents to disclose all charges and fees before a transaction is made; and disseminating information on costs in a systematic manner.**

231. **Expanding access to banks and banking services is also important. Governments can facilitate the establishment of branches from overseas banks and promote the participation of commercial and savings banks, credit unions and microfinance institutions in remittance services. Remittances can be saved in deposit accounts, bearing interest, which can themselves provide the resources needed to deliver other financial products, such as loans or insurance, particularly to the populations of the communities of origin. To promote the use of formal channels for the transfer of remittances, Governments of both countries of origin and destination can reduce regulatory constraints hindering the use of banking institutions by migrants. It is also important to assist migrants and their families in the countries of origin in improving their financial literacy, taking into account that women, while often better managers of household finances than men, may face cultural barriers in gaining access to the services of financial institutions.**

232. **Governments can also foster the harmonization of electronic transfer systems among money-transfer institutions. Currently, major transfer agents and banks use their own proprietary systems for money transfers, a practice that increases costs. The SWIFT messaging system, which is used by commercial banks, costs less than 15 cents per transaction. Fedwire, an electronic transfer system developed and maintained by the United States Federal Reserve System, could reduce transaction costs to about 45 cents per transaction. The UPU International Financial System, which allows for the rapid and secure transfer of money orders and inter-bank transfers over the Union's own secure network, has expanded its reach through partnerships with other funds transfer systems and banks. Use of debit and credit cards and automated teller machines is already reducing labour costs, leading to cost reductions in overall services provided. Transaction costs can also be cut by fostering partnerships between money-transfer companies and institutions having wide distribution networks in countries of origin, particularly in rural areas.**

233. **Reducing fees for remittance transfers not only increases the funds reaching the families of migrants but is also likely to increase the flow of remittances through formal channels, and may even increase the overall amount transferred. To do so, the cost, reliability and convenience of formal transfer services must prove superior to those of informal channels. Clearly, Governments at origin and destination share the objective of facilitating the flow of remittances and reducing costs. But the global reach of remittance**

transfers makes global action necessary or, at a minimum, requires the global coordination of initiatives to attain this objective as rapidly and efficiently as possible.

B. Leveraging remittances

234. Remittances can be leveraged to improve welfare and stimulate investment in areas of origin. Households, provided they have access to financial institutions, can use remittances as collateral to obtain credit for small-scale production activities. **Access to banking services through which remittances can be channelled and where savings accounts may be established can provide access to credit not only to households receiving remittances but also to other households, thus leveraging the funds available for investment.** That is, if households without migrants also have access to banking services, local credit markets can serve as conduits to loan the savings of migrant households to other households, which may be in a better position to invest those savings productively. Given existing imperfections in the credit markets of developing countries, particularly in rural areas, microcredit institutions are increasingly the focus of policies to harness remittances for investment in the home community. Some of these institutions, modelled after the Grameen Bank, focus on women, who are often the ones in charge of household finances while men are abroad.

235. **Another way of leveraging remittances is through partnerships between migrant home-town associations abroad and Governments to support community development projects. In this way, home-town associations can be prime actors in co-development.** For instance, under Mexico's "Three for one programme", home-town associations in the United States team up with villagers to propose community development projects. For every dollar that an association contributes, one dollar each is contributed by the federal, state and municipal governments. This programme, which began in 1997, had established, by 2002, projects worth $44 million, two thirds of which benefited labour-intensive agricultural production in four high-emigration states in Mexico. However, the fact that these projects have been concentrated in high-emigration areas means that their potential benefits have not always been realized (World Bank, 2006).

236. Home-town associations of migrants from other countries in Latin America and the Caribbean have also been active in Canada and the United States since at least the 1990s. But collective remittances from migrant associations are still low, accounting for just 1 per cent of all remittances to Central America (World Bank, 2006). Similar associations, mostly involving migrants from Africa, have been established in France and the United Kingdom. Home-town associations tend to be small and philanthropic. They invest in small-scale projects, mainly involving the building or maintenance of community infrastructure or social projects (schools, clinics and the like). In Africa, the most beneficial projects have been those facilitating household access to consumer goods, by setting up general stores or grain banks, and those supporting the acquisition of farming equipment (World Bank, 2006).

237. **To induce more collective remittances and promote development projects more widely, Governments may consider establishing novel financing mechanisms. For example, "migrant bonds" could be sold to migrants abroad,**

guaranteeing them a reasonable rate of return, while making the proceeds available for the financing of community-based development projects.

238. **Another way of increasing the investment potential of remittances is by using them to improve a country's creditworthiness, reduce borrowing costs and, more generally, enhance its access to international capital markets** (World Bank, 2006). Because Governments can use future receipts as collateral, remittances can act as those receipts. Collateralized future receipt arrangements, common in the commercial sector, are increasingly being used in the public sector, although views about the soundness of this approach are mixed (Kapur, 2003).

239. **In conclusion, remittances have the potential of supporting development provided they are leveraged by the right kind of policies. The extension of banking services and of basic financial training to families receiving remittances, the promotion of collective remittances for development purposes and the use of remittances as collateral to reduce borrowing costs in the financial markets are all strategies worth considering. Remittances have long served as a source of foreign exchange for countries of origin and, by being counter-cyclical, have softened the shock of financial crises or natural disasters. Judicious policies that nurture a transparent and reliable financial environment can do much to enhance their developmental impact.**

C. Transnational communities and their potential contribution to development

240. Transnational communities play a crucial role in international migration. Family, friends and other contacts in the country of destination often initiate and facilitate the process of relocation, thus fuelling and sustaining migration (Massey and others, 1993). Relatives abroad are commonly the source of funds to finance migration. They are also influential in helping newly arrived migrants to find employment. The tendency of migrants from the same origin to live in close-knit communities at destination facilitates the development of self-help institutions and voluntary associations. The support of co-nationals is especially important for migrant women, who are more prone than men to rely on social networks to obtain needed information at destination (Massey and others, 1998).

241. Once established, transnational communities also play a role in shaping developments in the home country. The activities of home-town associations and the use of collective remittances have already been reviewed. In addition, to the extent that migrants abroad engage in entrepreneurship, they may foster exports of products typical of the country of origin. Expatriates are also often the major users of transport to and from the country of destination and of telecommunications services. Thus, Salvadorian, Dominican and Mexican migrants constituted 50 per cent, 30 per cent and 20 per cent, respectively, of tourists to countries of origin (Orozco, 2006). Air travel between the country of destination and countries of origin typically increases as the expatriate community grows.

242. Migrants abroad can also be instrumental in promoting investment in the country of origin. For instance, the Indian software industry has benefited from well-placed Indian workers in the United States, who have played an important role in reducing reputation barriers to trade and generating investment in India. China also has benefited from overseas entrepreneurs of Chinese origin, who have made

large-scale investments in the country, creating jobs and expanding exports (Lucas, 2005).

243. Differences in the impact of activities by transnational communities mainly reflect differences in the economies of the countries of origin. The expansion of India's software industry, for instance, was made possible by national policies and other domestic initiatives and has been sustained mainly by the abundance of highly trained and previously underemployed engineers and information technology workers.

244. Migrants can be a conduit for the transfer of technology. However, much depends on the state of the economy of countries of origin. Higher-income countries, such as Ireland, Israel and the Republic of Korea, have been better able to take advantage of those transfers than less prosperous countries. Low-income countries, in particular, generally lack the conditions to take advantage of transfers of technology. Thus, although small and low-income countries usually have a higher proportion of their skilled workers abroad, they have not experienced much of an improvement in economic performance.

245. **Governments may promote the beneficial involvement of transnational communities in local development by adopting the right policies regarding investment.** However, attaining a favourable regulatory environment for investment is not straightforward. Indian emigrants, for instance, still report obstacles to investing in their country and efforts by the Government of the Philippines to promote investments by overseas Filipinos do not seem to have been effective.

246. **Fostering contacts with citizens abroad, and especially with those who are highly skilled, may facilitate the emergence of more active knowledge networking. Actively encouraging and supporting the formation of transnational associations involving researchers at home and abroad may complement such efforts.** Some of the more active formal networks appear, however, to have emerged from private initiatives and not from government-sponsored efforts. Moreover, it is far from clear how effective these networks may ultimately prove to be as a means of improving productivity at home (Wescott, 2005).

D. Return migration and circulation

247. Although global estimates of the extent of return migration do not exist, available evidence suggests that return migration is more common than is normally believed. Return migration usually entails the resettlement of migrants in their countries of citizenship. However, as with emigration, return need not be permanent. Migrants who return for a period and then leave again are said to be engaged in "circulation". Circulation, however, does not occur when migrants return only for short visits but essentially remain settled abroad.

248. There are no global estimates of the number of people engaging in circulation. Enforced circulation is often the result of temporary labour migration under regulations that stipulate that migrants must return home before a renewal of their contract may be considered. The short-term returns of migrants while they secure a new posting abroad usually are not especially beneficial either to the migrants concerned or to the economies of their home countries. If the period of return is

short (less than six months, for example), it is likely that migrants will remain unemployed or underemployed during that period. Similarly, the return of migrants after short periods abroad is unlikely to produce significant benefits either to the migrants concerned or to the country of origin.

249. Return is more likely to be beneficial when it occurs after a moderately long spell abroad (5 to 10 years). Under such conditions, migrants are more likely to have saved enough to ease their reinsertion into the home society. As with other potentially beneficial consequences of international migration, return migration will contribute to development only to the extent that the country of origin has a propitious social and economic environment for the migrant to use the skills acquired abroad or to invest his or her savings. In addition, the economic conditions in the country or region of origin often determine return. In the Philippines, for instance, migrants are more likely to return to areas with lower unemployment (United Nations, 1998).

250. Return migrants frequently do not fare well in the labour market of their home countries: their rate of unemployment is often higher than non-migrants, and even higher than they experienced before migration. When the stay abroad has been prolonged, returnees often retire, leaving the labour market entirely upon return. Migrant women, in particular, may stop working for wages in the home country as they once again assume their roles as housewives and mothers (United Nations, 1998).

251. Given the scarcity of jobs in the formal sector of developing economies, returning migrants often opt for self-employment and use their accumulated savings to establish small businesses, a strategy which may, in many instances, be a continuation of investments in productive activities at home made while they were still abroad. Studies suggest that migrants who plan to be self-employed upon return usually work longer and save more while abroad (Black and others, 2003; Wahba, 2003). Although most of the enterprises launched by migrants' savings demand modest capital outlays, employ few workers (often immediate relatives) and operate in the informal sector, they are a potential stimulus for development, especially in developing countries where job growth is concentrated in the informal economy (Black and others, 2003). Consequently, Governments and international actors, such as the European Union, IOM and the United Nations Development Programme (UNDP), have developed programmes to assist returnees in business activities. However, for these enterprises to be successful, the economic and investment environment in the countries of origin needs to be favourable (Ghosh, 2000).

252. A study of return migrants belonging to élite groups in Ghana and Côte d'Ivoire sheds light on the use that migrants can make of the skills gained abroad (Ammassari, 2003). Most of the migrants interviewed had either studied or been trained abroad. Older returnees had mostly found jobs in the public sector and had contributed to nation-building. Younger returnees were more enterprising and prone to start private-sector businesses. Crucially, the study found that the relationship between returnees and "stayers" was not always smooth, even though the two groups needed to combine efforts to succeed. That is, **policies that favour returnees and do not offer equivalent support to "stayers" are bound to cause resentment and to be counterproductive. Measures that benefit both returnees and "stayers" involved in businesses creation include reducing regulatory**

restrictions for private-sector ventures, facilitating access to credit and improving the quality of the workforce.

253. Despite the pervasiveness and potential benefits of return migration, it is one of the least well studied aspects of migration. Yet return is the end goal not only of many migrants but also of many migration programmes, since most migrants are not admitted for permanent settlement in countries of destination. Factors that promote return and that make returnees successful are poorly understood. Migrants may be more likely to return if they see opportunities at home. It is thought that migrants who have rights to long-term residence in countries of destination may be more willing to try life back home if they can be assured of being able to emigrate again. **Security of residence in countries of destination may thus promote either return or circulation. Similarly, allowing dual citizenship may be conducive to return.**

254. **Measures that facilitate the circulation of skilled migrants, who may be able to make significant contributions to the home economy during short periods of work there, are being pursued as key elements of co-development.** China, for instance, has taken steps to promote and facilitate work visits by their expatriates (Wescott, 2005). Programmes by international organizations such as UNDP and IOM promote the temporary return of highly skilled expatriates over short periods to teach at universities or perform other useful work. These programmes remain fairly small, however, and their overall impact has not been assessed. **It seems more urgent to determine which conditions can promote voluntary returns on a larger scale and ensure that their impact on development is positive.**

VI. Human rights, gender, integration and entitlements

A. Human rights

255. Subject to treaty obligations and those deriving from customary international law, a State has the sovereign right to decide who enters and who stays in its territory and under what conditions. Furthermore, under customary and conventional international law, States have the obligation to uphold the fundamental rights of all human beings. Most States are parties to international treaties that establish the inalienable rights of the individual and require, therefore, that those rights be safeguarded and respected. Naturally, States have the option of granting migrants a wider set of rights than those included in international treaties.

256. The conditions of stay established by States include both the rights granted to migrants beyond those that are universally recognized and the obligations that migrants must fulfil while they remain in a country other than their own. In general, foreigners admitted for permanent residence are granted the same rights as citizens, with the exception of some political rights. But few countries grant migrants permanent settlement at the time of first admission. In most countries migrants enter under temporary categories that do not grant rights equal to those of citizens. Temporary migrant workers, for instance, are often constrained to specific jobs or employers and may not be allowed to be accompanied or joined by their immediate relatives.

257. States that focus on admitting temporary migrants face a dilemma. Their reluctance to grant long-term residence rights to large numbers of foreigners implies setting conditions of stay and work that reduce the chances for the economic and social integration of migrants, thus increasing the social costs resulting from the marginalization that ensues. Furthermore, those conditions may expose migrants to abuse, which may be in violation of the international obligations of States.

258. Countries of origin face a complementary dilemma: migration is more likely to have beneficial effects if resettlement in another country does not occur, since temporary migrants whose families remain in the country of origin are more likely to remit and repatriate their savings when they return than those who settle abroad. Furthermore, temporary migrants are also more likely to return, whether temporarily or permanently, and to contribute to the development of communities of origin. But countries of origin know that their migrants would be better off if they had security of residence in the countries of destination. From the perspective of migrants, the possibility of working legally abroad is preferable to the alternative of migrating and working clandestinely.

259. The growing importance of migration makes it imperative that States find workable solutions to these dilemmas. Since the structural need for migrant labour is not likely to disappear in a few years, there may be room for allowing some migrants to move from one migration category to another over time and, in the process, allowing them to acquire additional rights. As with permanent immigrants in countries of settlement, this process may lead to eventual naturalization so that, by becoming citizens, migrants acquire the full spectrum of rights. In countries where this is possible, passage from one category to the next provides opportunities for ensuring that the integration of migrants advances in parallel to the process of extending their length of stay.

260. States allowing migration for family reunification can promote the adaptation and integration of family members to the host society, in particular by ensuring that the migrant status of dependants is not necessarily tied to that of the sponsoring migrant. Restrictions on the labour force participation of foreign spouses of migrants or citizens may negatively impact their status or integration. Without an independent migrant status or the possibility of working, married migrant women, in particular, may become vulnerable to abuse.

261. Some practices increase the vulnerability of migrants and should be avoided or outlawed. In some countries, employers keep the passports and travel documents of migrant workers, thus effectively depriving them of the liberty to travel at will. Segregating migrants from the host society, preventing them from organizing or joining trade unions on the same basis as citizens or providing no credible mechanism for the redress of grievances are all conditions that put them at increased risk of exploitation. Both male and female migrant workers are, in certain contexts, subject to these risks, but female migrants in certain occupations, especially those engaged in domestic service, are more vulnerable to gross violations of their rights.

262. Migrants in an irregular situation are particularly vulnerable to exploitation because they generally cannot, or are hesitant to, avail themselves of the protection of authorities. Hence, employers are more likely to take advantage of them, paying them low wages or making them work long hours, sometimes under dangerous conditions. They also represent unfair competition for citizens, with the result that every worker loses: the migrants because they are prone to exploitation and the

citizens because they are effectively barred from the jobs the migrants perform. Although Governments generally do not condone these practices, they find it difficult to ensure that employers abide by labour laws. Imposing severe sanctions on employers who employ migrants in an irregular situation is a common approach to the control of irregular migration, but its effectiveness depends on strict enforcement, which is not easy to achieve. Ultimately, laws and regulations that go against the forces of demand and supply will likely be ineffective in controlling the labour market. When there is a legitimate need for workers, providing a legal avenue for their employment and ensuring that their labour rights are protected produces the best results for all.

B. Gender and international migration

263. International migration flows have always involved both women and men. Yet the recognition that both migrant women and migrant men make important contributions to their families and communities of origin is more recent. Even when women migrate as part of the family unit, they collaborate with men to make the most of the opportunities that migration brings.

264. It is widely recognized that the causes and consequences of international migration differ for men and women depending on gender relations and gender stratification in the societies of origin and destination (United Nations, 2005b). Norms and values in most societies are still far from being gender neutral and the status of women in general is not yet equal to that of men. International migration often brings to the fore the different ways in which gender differentially determines outcomes for men and women.

265. The literature on migration and gender tends to focus on the limitations migrant women face relative to migrant men. The policies of both countries of origin and receiving countries shape the position of both women and men during the migration process. Although both can be agents of change, migrant women are more likely than migrant men to find themselves in situations that restrict their development. The greater likelihood that they may be admitted as "dependants" under family migration, their lack of access to the labour market when they are admitted as accompanying spouses, their segregation into traditional, low-paid female occupations when they migrate as workers and their greater vulnerability to sexual exploitation are all legitimate causes of concern, and are realities that too often lead to poor migration outcomes for women. The present report has pointed out some measures that can improve the benefits of the migration process for women and reduce their vulnerability, but clearly these measures work best when they are underpinned by a genuine commitment by Governments to improve the status of all women, not just migrant foreigners. In this sense, the beneficial outcomes of migration for women, as well as those for men, critically depend on respect for the rights enshrined in the core human rights instruments.

C. Integration

266. The success of migration hinges on the mutual adaptation of migrants and the host society. To achieve this, it is increasingly being recognized that promoting the integration of migrants as early as feasible during their stay in the country of

destination is in the best interest of both migrants and the host society. The cornerstone of integration is equal treatment and the prohibition of discrimination of any kind. Integration depends on many factors, including the ability to communicate in the local language, access to the labour market and employment, familiarity with the mores and acceptance of the values of the host society, the possibility of being accompanied or reunited with immediate family members and the possibility of naturalization. When migrants have rights to social services and their rights as workers are protected, their integration is generally facilitated. Governments may offer special services or programmes to assist in the integration of migrants. Civil society can assist in promoting integration, disseminating information about services available to migrants, providing such services when appropriate and promoting the engagement of migrants in guiding the integration process.

267. **As do all residents of the host country, migrants have the responsibility for understanding the laws and values of the host society and the obligation to respect the rights of others, especially their cultural identity. The host society, in turn, must respect cultural diversity and the rights of migrants. Mutual understanding can be nurtured by taking advantage of the opportunities for social and cultural enrichment that migration brings.**

268. **Analyses of the sociocultural integration of migrants into the host society show that migrants do best in socially and politically supportive environments that allow them to adapt at their own pace (Papademetriou, 2005). In this process, Governments at all levels must accept the responsibility for setting standards while promoting and funding flexible and innovative strategies to foster integration. Governments should not only advocate inclusiveness, fairness and equality, but also adopt mechanisms for their enforcement.**

269. **Governments have to protect migrants against discrimination, racism and xenophobia, in particular by taking effective measures to protect migrants from human rights violations and abuse. It is also vital that Governments educate the public about migrants through communication strategies that articulate and explain how existing migration policies are consistent with society's needs and its ability to accommodate and integrate migrants. Strategies to manage diversity and promote cross-cultural learning have to be part of any migration policy. Above all, Governments should deny demagogues a monopoly in shaping public opinion regarding migration and face down the threat of intolerance. No country can afford to have its social fabric torn by irresponsible rhetoric and the actions of opportunists seeking political advantage by exploiting public anxieties regarding migration. Migrants have been and continue to be indispensable to the prosperity of many countries and their leaders have the responsibility to take up the task of shaping public opinion accordingly.**

D. Portability of pensions and health benefits

270. It is generally easier to make old-age pensions portable than other benefits that migrants may receive. Even so, it is estimated that the vast majority of international migrants face obstacles to pension portability or lose benefits because of the limited time they work abroad.

271. The laws of most developed countries permit the payment of pensions abroad even in the absence of a special agreement between the country paying the pension

and the country of residence (Holzmann, Koettl and Chernetsky, 2005). However, pension benefits paid abroad may be subject to reductions unless protected by a bilateral agreement. Bilateral or multilateral agreements are also necessary to ensure that persons who work over their lifetimes in two or more countries are not unduly penalized because they do not meet the minimum number of years of contribution required by pension systems to which they have contributed. By allowing the totalization of periods of contribution, bilateral agreements allow migrants to receive pension benefits from the different systems to which they have contributed and ensure that they receive a fair replacement rate from each system. Most bilateral agreements on pension portability allow migrants to get direct payment of benefits from the social security institutions of the countries in which they worked and to which they contributed. They do not envision the transfer of contributions between the social security institutions of the countries concerned.

272. At the international level, ILO Convention No. 157 (1982) concerning the Establishment of an International System for the Maintenance of Rights in Social Security is the only international instrument specifically aimed at enhancing pension portability, but it has been ratified by only three countries: the Philippines, Spain and Sweden. In the European Union, Regulation No. 1408/71 contains extensive provisions to ensure the comprehensive portability of the social security entitlements of citizens of member States of the Union moving within the Union. In 2003, Regulation No. 859/2003 extended the provisions of Regulation No. 1408/71 to third-country nationals who have resided in a member State of the Union for more than five years, provided they are not refugees. In addition, the Euro-Mediterranean Partnership has established association agreements between the member States of the European Union and Algeria, Morocco and Tunisia, which contain far-reaching provisions on the portability of social security benefits for migrants from the latter three countries who work in countries members of the Union. Member States of the Union have also signed over 2,500 bilateral agreements on social security, mostly with other European countries. No other region has an equivalent body of agreements on portability of social security.

273. Asian countries have signed 121 agreements on social security. In Asia, countries that admit migrant workers on a temporary basis allow limited portability of long-term benefits, either through pensions paid abroad, as in the Republic of Korea, or as lump-sum payments when migrants depart for good, as in Malaysia. In the member States of GCC, migrant workers are barred from participating in national pension systems, but are also exempt from contributing to them. These migrants therefore need access to private pension schemes or continuous enrolment in the social security system of their countries of origin. Filipino migrants can continue contributing to their national social security system while abroad, ensuring their entitlement to a pension when they retire.

274. There are greater barriers to the portability of health benefits after retirement. The general rule is that migrant pensioners are entitled to health benefits in the country paying pension benefits. Lack of portability of health benefits often deters migrant pensioners from returning permanently to their countries of origin. Some countries have concluded bilateral agreements whereby the country of employment reimburses the health-care costs incurred by migrant retirees in the country of origin provided that the retirees are entitled to a pension from the country of employment. However, reimbursement of health-care costs often does not cover most of the out-of-pocket expenses the migrant incurs. In other instances, reimbursement is made

from the social security system of the country of employment to the country of retirement on the basis of estimated average health-care costs of returning migrants, thus making transfers more equitable.

275. For many countries portability of health benefits is hampered by differences in health benefits and the laws regulating them. The lack of portability of health benefits implies that, inasmuch as migrants make contributions to the public health system of the country of employment when they are young and less likely to use health services and rely on the public health system of countries of origin later in life without making significant contributions to that system, countries of origin are unduly burdened by returning retirees.

276. Given the differences between countries regarding social security systems and health-care entitlements after retirement, the portability of such entitlements will likely continue to be governed mostly by bilateral agreements, although they would benefit from standards agreed multilaterally. **As regards portability of pensions, the key elements are totalization of contribution periods to protect eligibility and ensure a fair replacement rate. For health-care benefits, the best practice is to ensure full access of retirees to the health-care systems of their country of residence through reimbursement of average health-care costs for retirees from the country paying pension benefits.**

VII. Combating trafficking in persons

277. Trafficking and smuggling are crimes that imperil the lives of persons subjected to them. A clear understanding of the difference between trafficking and smuggling is crucial to the success of efforts to combat and prevent these crimes. According to article 3 (a) of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, trafficking in persons is "the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of the person having control over another person for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs".

278. Article 3 (a) of the Protocol against the Smuggling of Migrants by Land, Sea and Air defines smuggling of migrants as "the procurement, in order to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person into a State Party of which the person is not a national or a permanent resident". Although smuggling occurs with the consent of migrants, it may subject them to dangerous or degrading situations. Smuggling is always a transnational activity. In contrast, trafficking does not require international travel, but involves the deception or outright coercion of victims and their ongoing exploitation at destination. Furthermore, traffickers derive proceeds from that exploitation, whereas relations between smugglers and migrants cease when the migrant reaches the destination and pays the fee involved. Lastly, while trafficking is a violation of the rights of victims, smuggling is not.

279. The Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children seeks to combat and prevent trafficking in persons by making trafficking a crime, ensuring the prosecution and punishment of traffickers and extending protection and assistance to victims, while safeguarding their human rights. Parties to the Protocol commit themselves to cooperate in the fight against trafficking. **Concerted action among law enforcement agencies, NGOs and international organizations can be effective in detecting trafficking operations and raising both awareness and funding to combat this heinous crime.** Of particular importance is extending protection to witnesses in the prosecution of traffickers, as outlined in article 24 of the Convention against Transnational Organized Crime. The recommended Principles and Guidelines on Human Rights and Human Trafficking, produced by the Office of the United Nations High Commissioner for Human Rights (OHCHR), provide guidance regarding human rights issues in relation to trafficking.

280. Owing to the illegal nature of trafficking and smuggling, reliable estimates of the number of persons involved do not exist. Available data derive mostly from police reports or small-scale projects that are not representative of global activities. IOM database on victims contains over 9,000 cases. Most reports agree that the geographical scope of trafficking has expanded and that the majority of victims are women or children (that is, boys or girls under age 18). The annual number of trafficking-related prosecutions in 150 countries remains high, averaging 7,300 during 2003-2004 (United States State Department, 2005).

281. The United Nations Office on Drugs and Crime maintains information on accounts of human trafficking obtained from a variety of sources. It covers some 4,500 cases, over 70 of which relate to female victims and 32 per cent involve children. Though not necessarily representative of worldwide trafficking activities, this information suggests that victims originate mainly in Asia, CIS countries and Africa, in order of importance. Usually, victims move from low-income countries to middle-income countries, or from any of these countries to high-income countries.

282. **Given the complex nature of trafficking and the networks that organize it, several policy responses are being tried. To be effective, anti-trafficking measures should be multi-pronged, including elements of prevention, investigation, prosecution and protection for victims. In terms of prevention, authorities in countries where migrant recruiters are licensed have begun to make surprise visits to check their practices. Information campaigns targeting potential victims are common. Some countries are trying to stop practices that put minors in situations of great vulnerability, such as the informal fostering of children. Reducing demand for exploitative services is crucial. In prosecuting traffickers, authorities are undertaking proactive, intelligence-led investigations. International cooperation to uncover and combat complex transnational trafficking networks is growing. Some Governments grant victims temporary or permanent residence permits and reflection periods in which to recover, assess the situation and decide if they wish to cooperate in the investigation and prosecution of perpetrators. Governments also provide assistance for the recovery of victims, often with the assistance of civil society organizations.**

VIII. Intergovernmental cooperation on international migration

A. The normative framework

283. The core of the international normative framework on international migration is constituted by human rights instruments adopted by the General Assembly and those relating to migrant workers adopted by the International Labour Conference (see table 13). The foundation for the human rights protection system was laid by the adoption of the Universal Declaration on Human Rights in 1946. The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990) is the most comprehensive international treaty dealing with the rights of migrant workers. It has been ratified by 34 Member States and is the latest of the seven core international human rights instruments, which together form the United Nations human rights treaty system. The other six are: (a) the International Covenant on Economic, Social and Cultural Rights; (b) the International Covenant on Civil and Political Rights; (c) the International Convention on the Elimination of All Forms of Racial Discrimination; (d) the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; (e) the Convention on the Elimination of All Forms of Discrimination against Women; and (f) the Convention on the Rights of the Child. All States are bound, through ratification, by at least one of the seven core human rights treaties. These instruments therefore provide the basis for the protection of everyone, citizens and non-citizens, in a State's territory. The human rights enshrined in these documents apply to everyone, not by virtue of citizenship but because they are linked to our common humanity.

284. The 1963 Vienna Convention on Consular Relations is also relevant to the protection of the rights of migrants since it establishes the right of foreign nationals to communicate with their consular authorities and to be informed of this right by officials of the receiving State when arrested or detained.

Table 13
Status of ratification of international legal instruments related to international migration

Instrument	*Year entered into force*	*Parties to United Nations instruments*	
		Number of countries	*Percentage of countries*
Migrant workers			
1949 ILO Convention concerning Migration for Employment (Revised 1949) (No. 97)	1952	45	23
1975 ILO Convention concerning Migration in Abusive Conditions and the Promotion of Equality of Opportunity and the Treatment of Migrant Workers (Supplementary Provisions) (No. 143)	1978	19	10
1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	2003	34	17
Smuggling and trafficking			
2000 Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children	2003	97	50
2000 Protocol against the Smuggling of Migrants by Land, Sea and Air	2004	89	46
Refugees			
1951 Convention relating to the Status of Refugees	1954	143	73
1967 Protocol relating to the Status of Refugees	1967	143	73

Note: Status as at 19 April 2006.

285. In the realm of employment, the Conventions of ILO set internationally recognized labour standards relevant to all workers, including migrants. Two instruments relate specifically to migrant workers. ILO Convention No. 97, adopted in 1949, contains provisions to guarantee equality of treatment with respect to the employment of foreign migrant workers in a regular situation on a par with nationals. It has been ratified by 45 countries. ILO Convention No. 143 of 1975 addresses irregular migration in part I and establishes, in part II, that migrant workers in a regular situation should not only be entitled to equal treatment with respect to nationals, but also to equality of opportunity with regard to access to employment, trade union rights, cultural rights, and individual and collective freedoms. The Convention has been ratified by 19 States.

286. In 2005, a Tripartite Meeting of Experts convened by ILO adopted the ILO Multilateral Framework on Labour Migration, which consists of a set of non-binding principles, guidelines and best practices for Governments, organizations of workers and organizations of employers to pursue a rights-based approach to labour migration. In the broader context of promoting decent work for all, the Framework aims to foster cooperation and consultation among the tripartite constituents of ILO in order to assist in the implementation of effective policies on labour migration. In 2006, the Governing Body of ILO authorized the Director-General to promote the

use of the principles and guidelines of the Framework in the formulation of labour migration policies by member States of ILO.

287. The two international instruments discussed in section G above focus on the prevention and prosecution of the crimes of trafficking in persons and smuggling of migrants. The protocol relative to trafficking in persons, to which 97 States are parties, entered into force in 2003. The protocol relative to smuggling of migrants, with 89 States parties, entered into force in 2004.

288. The protection of refugees is addressed by two United Nations instruments. The 1951 Convention relating to the Status of Refugees establishes a definition of the term "refugee" and sets out legal protections for refugees. The Convention also prohibits the expulsion or forcible return of persons accorded refugee status. The 1967 Protocol relating to the Status of Refugees extends the application of the 1951 Convention to persons who became refugees after 1 January 1951, without any geographic limitation. Three-quarters of all Member States are parties to the Convention and the Protocol, making them the most widely accepted instruments relating to refugees.

289. In addition to the normative framework provided by international instruments, the non-binding outcome documents of the United Nations conferences and summits held since 1990 provide a framework for action aimed at maximizing the benefits of migration in relation to development. The *Compendium of Recommendations on International Migration and Development*, published by the Department of Economic and Social Affairs of the Secretariat in 2006, makes it easier to assess the extent to which this comprehensive framework is adequate to guide cooperation and dialogue among Governments so as to promote co-development initiatives involving migration.

290. Lastly, the General Agreement on Trade in Services of the World Trade Organization, which entered into force in January 1995, contains the framework for negotiating the liberalization of the trade in services. The sections of the framework related to mode 4 involve the temporary movement of natural persons to provide services abroad. Mode 4 accounts for about 1 per cent of total trade in services today. Because "temporary" is not defined in the General Agreement, it varies from a few months to a few years. Business visitors covered under the Agreement can normally stay for up to three months, while intra-company transferees may stay from three to five years. Under the ongoing Doha round of trade negotiations, further liberalization of mode 4 is being sought, particularly in regard to the movement of low-skilled workers, although little progress has been made thus far.

B. Global initiatives

291. Among the multilateral initiatives launched by Governments, the work of the Global Commission on International Migration deserves special mention. The Commission, composed of 19 expert commissioners serving in their personal capacity, was supported by over 30 Governments. Its report, released in October 2005, contains 33 recommendations to strengthen the national, regional and global governance of international migration (Global Commission on International Migration, 2005). The report and recommendations of the Commission are key inputs for the High-level Dialogue of the General Assembly on international migration and development. Another intergovernmental effort, the Berne Initiative,

a State-owned consultative process, has produced the International Agenda for Migration Management.

292. In April 2003, the heads of ILO, IOM, OHCHR, the United Nations Conference on Trade and Development (UNCTAD), the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Office on Drugs and Crime (UNODC) established the Geneva Migration Group. In response to the recommendations made by the Global Commission, the Secretary-General invited the members of the Group to expand its membership and revise its terms of reference. The Group, joined by the Department of Economic and Social Affairs, UNDP, UNFPA and the World Bank, has been renamed the Global Migration Group. It held its first meeting in May 2006 and will meet at regular intervals to coordinate activities and improve coherence within the United Nations system and with IOM in addressing a wide array of international migration issues.

293. Within the United Nations system there is no single entity with the mandate of working systematically on the full spectrum of international migration issues. Each of the United Nations organizations constituting the Global Migration Group covers different and sometimes overlapping aspects of international migration and development and each has its own governing body. With 116 member States, IOM focuses on a wide spectrum of migration issues, but is outside the United Nations system.

294. The governing bodies of several of the members of the Global Migration Group do not necessarily consider migration issues on a continuous basis. Because each governing body establishes mandates independently from others, uncoordinated responses are common in the system. While this state of affairs poses a challenge for the effective coordination of migration activities among the members of the Global Migration Group, they are committed to ensuring greater coherence within the system and in relations with IOM. The establishment of the Global Migration Group represents a significant step forward in the promotion of dialogue among the different entities with mandates on international migration. The Group is expected to take the lead in improving the overall effectiveness of the operational and policy responses of the international community to the challenges and opportunities posed by the migration and development nexus.

295. Within the United Nations intergovernmental process, the General Assembly has maintained the focus on international migration issues through the work of two of its committees: the Third Committee addresses international migration, human rights and humanitarian issues, while the Second Committee discusses international migration and development. Although the work of these committees has assured the continuous attention that this subject deserves, the formality of the proceedings detracts from an in-depth consideration of practical responses to the challenges and opportunities that international migration poses for development.

296. As discussed in section C below, much progress has been made in developing informal consultative processes among Governments at the regional level. The time may be ripe to consider the possibility of developing a global consultative process within the United Nations that would allow Governments to forge constructive approaches to make the potential contribution of international migration to development a reality. This global process would build on regional processes and could also serve as the link between Governments and the Global Migration Group to ensure that the activities of the United Nations system, together with IOM, are

mutually reinforcing and lead, together with the initiatives of Governments at the bilateral and regional levels, to a whole that is greater than its parts.

297. Such a global consultative process would not take the form of a new body within the United Nations, it would not aim at achieving negotiated outcomes, nor would it work under strict rules of procedure. It would be an open-ended body involving Government representatives who have first-hand experience in addressing migration challenges.

298. Already the preparations for the High-level Dialogue on international migration and development have elicited, at the national level, increased dialogue and improved cooperation and coherence among the different Government units dealing with the nexus between international migration and development. Periodic participation in a global consultative process will likely maintain the drive towards continued coordination and increased coherence at the national level and guide the formulation of more effective and coherent policies to make international migration an effective tool for development.

C. Regional initiatives

299. The drive towards economic and, in some cases, political integration has led to a number of regional agreements on free trade, which have also dealt, on occasion, with aspects of the movement of workers. The European Union is the most advanced regional group in this respect. The 1957 treaty founding the European Economic Community included provisions for the free movement of workers among member States. In 1993, the Union achieved free movement within the borders of its member States for all citizens. However, in May 2004, when 10 new member States joined the Union, restrictions were applied on the intra-Union mobility of their citizens during a transition period, which is due to end in 2011. In addition to regulating the free movement of citizens of member States within its borders, the Union has also been: forging partnerships with countries of origin; formulating a common European asylum policy; and fostering the equitable treatment of third-country nationals residing in member States of the Union.

300. Agreements to facilitate the movement of persons or workers have been part of the regulatory framework establishing common markets or free trade groups in other regions, but none has advanced as much as the European Union. Examples include the protocols on the free movement of persons of the Economic Community of West African States (ECOWAS) and the Central African Economic and Monetary Community (CEMAC), which have not been implemented. In Asia, the Asia-Pacific Economic Cooperation (APEC) organization has established a business travel card to facilitate business travel and circulation. In the Americas, the Southern Common Market (MERCOSUR) has adopted instruments to facilitate the movement of tourists and business travellers between States parties and the North American Free Trade Agreement has provisions for the issuance of special visas for skilled workers from its States parties.

301. A new type of regional cooperation consists of informal consultative processes that have multiplied since 1995. One of the first was the Intergovernmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia, established in 1985 to discuss asylum issues. The first regional process established among developing countries involved the countries of

Central and North America and started with a meeting in Puebla, Mexico, in 1996. Today, according to the United Nations and IOM, there are two regional processes in the Americas, three in Asia and two in Africa. Europe has at least four (United Nations, 2005a; IOM, 2003). The informal character of these processes facilitates dialogue and the exchange of information. By bringing together countries of origin, transit and destination, as well as delegates from different governmental departments, these processes foster coordination and coherence not only internationally but also nationally. Although it is still early to assess the impact of these processes, they appear to be successful in building a common understanding, promoting cooperation and contributing to capacity-building.

D. The bilateral approach

302. Bilateral agreements are used to formalize cooperative arrangements regarding migration. They aim to ensure that migrant flows occur under conditions that are mutually beneficial to the countries involved. According to a survey among Governments conducted by ILO, 595 bilateral agreements had been concluded by the 66 countries reporting. Ten countries accounted for about half of the agreements reported. The number of agreements has been increasing: on an average annual basis, 29 were concluded from 2000 to 2003; 19 from 1990 to 1999; and 11 from 1980 to 1989. Most agreements (63 per cent) involved countries in Europe, 11 per cent involved Canada or the United States and 60 per cent were concluded after 1990.

303. Bilateral agreements deal with a variety of issues: 57 per cent include provisions to coordinate social security entitlements and payments; 18 per cent relate to guest worker programmes or general labour migration exchanges; 12 per cent involve the admission of trainees or young professionals; and 5 per cent refer to seasonal migration.

304. The survey coverage of ILO is far from complete. According to Mármora (2003), countries in Latin America and the Caribbean concluded 84 bilateral agreements between 1991 and 2000, over half with countries in other regions and more than double the number reported to ILO. Without a centralized register for bilateral agreements, their number remains uncertain. Furthermore, countries considering entering into such agreements have no straightforward way of determining best practices. **It would be useful to develop a depository system for bilateral agreements that would make them easily accessible.**

305. Very few readmission agreements were reported to ILO. They relate to the readmission of migrants in an irregular situation either by countries of origin or countries of transit. According to the above-mentioned Intergovernmental Consultations, 320 readmission agreements or arrangements had been concluded by May 2000, 302 of those since 1990. Readmission agreements are also part of the strategy of the European Union to reduce irregular migration. Such agreements involve reciprocal undertakings by the Union and partner countries to cooperate on the return of migrants in irregular situations. By 2005, the European Commission had negotiated agreements with 11 countries, but only four of those agreements had been concluded by May 2006.

306. Some countries have used bilateral agreements to promote the safe and timely transfer of remittances. Canada has signed agreements with some Caribbean

countries allowing the automatic transfer of part of a worker's earnings to the family in the home country (Ruddick, 2004). In 2003, the Philippines and the United States exchanged a memorandum of understanding on strengthening remittance channels to facilitate credit union participation in remittance transfers (Office of the Press Secretary, Government of the Philippines, 2004).

307. **The bilateral approach offers considerable flexibility to Governments because the terms of each agreement can be tailored to the circumstances of the countries concerned. However, such agreements should not be used to avoid or deflect obligations under international treaties or customary law, such as those relative to refugees. Furthermore, in terms of migration management, keeping track of the implementation of multiple agreements with different provisions adds to the administrative burden. It may be necessary to develop national mechanisms to ensure the implementation of bilateral agreements and to facilitate the dissemination and understanding of the provisions of the bilateral agreements that are in force.**

Notes

[1] Population censuses, which usually record the country of birth of the persons they count, provide the basic information leading to these estimates. Foreign-born persons are migrants because they must have moved at least once from the country of birth to the country where they live. But the foreign-born need not be foreigners. Foreign-born persons may be citizens at birth by, for instance, being the children of citizens of the country where they live, or they may be naturalized citizens.

[2] Return migrants, for instance, are largely excluded from this count because once they go back to their country of birth and citizenship they become statistically invisible when seen through the filter of country of birth.

[3] Remittances include the following entries in the balance of payments: workers' remittances; compensation of employees; and migrants' transfers.

Annex

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